



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

SEP 14 2010

COMPTROLLER

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

Dear Mr. President:

This letter reports a violation of the Antideficiency Act (ADA), Navy case number 09-06, as required by Section 1517(b) of Title 31, United States Code. A violation of Section 1517 occurred in account 171804, Operation and Maintenance, Navy (O&M,N) in the amount of \$285,987.00.

The violation occurred when the Naval Oceanographic Office (NAVOCEANO) started depositing checks it received from various private party funds into its O&M,N account during fiscal years 2000-2007 and subsequently expended the funds on various NAVOCEANO requirements during fiscal years 2003-2008. The funds that NAVOCEANO received from private parties should have been deposited into the Miscellaneous Receipts account of the U.S. Treasury. NAVOCEANO did not have statutory authority to retain the use of these private party funds. In using these funds without statutory authority, NAVOCEANO augmented its O&M, N account during Fiscal Years 2003-2008. This augmentation of funds led to a violation of Title 31, United States Code, Section 1517 as NAVOCEANO over-obligated its accounts in fiscal years 2003, 2004, 2005, and 2007.

Mr. Donald D. Lancaster, GS-14, Comptroller, deceased; Ms. Darlene H. Crawford, YC-02, Accounting Officer; Ms. Cheryl Y. Andrews, GS-11, Financial Management Analyst; and Ms. Brenda L. Villalobos, YC-02, Accounting Officer were responsible for the violation. Administrative discipline was imposed on Ms. Crawford, Ms. Andrews and Ms. Villalobos. They were all issued letters of caution. Mr. Lancaster is now deceased. The Navy has determined that the violation contained no willful or knowing intent on the part of the responsible parties to violate the ADA.

To prevent a recurrence of this type of violation, the Naval Meteorology and Oceanography Command (COMNAVMETOCCOM), the parent command of NAVOCEANO, issued an instruction which established policy for the management and execution of reimbursable funding. All lower echelon proposed reimbursable agreements are reviewed and cleared by COMNAVMETOCCOM general counsel prior to any formal negotiations.



Identical reports will be submitted to the President of the Senate, Speaker of the House of Representatives, Acting Comptroller General of the United States, and Acting Director of the Office of Management and Budget.

Respectfully yours,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

Enclosures:
As stated



COMPTROLLER

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

SEP 14 2010

The Honorable Joseph R. Biden, Jr.
President of the Senate
285 Eisenhower Executive Office Building
Washington, DC 20501

Dear Mr. President:

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Sincerely,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

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COMPTROLLER

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

Dear Madam Speaker:

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