



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

COMPTROLLER

SEP 14 2010

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 09-05, 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 \$842,857.00.

The violation occurred when the U.S. Naval Observatory (USNO) improperly deposited checks it received from various private party funds into its O&M,N account during fiscal years 2004 through 2008 and subsequently expended the funds on various USNO requirements. The funds that USNO received from private parties should have been deposited into the Miscellaneous Receipts account of the U.S. Treasury. USNO did not have statutory authority to retain the use of these private party funds. In using these funds without statutory authority, USNO augmented its O&M,N account during fiscal years 2004-2008. This augmentation of funds led to a violation of Title 31, United States Code, Section 1517 as USNO over-obligated its accounts in fiscal years 2004, 2005, 2006, and 2007.

Ms. Gail D. Witcher, GS-14, Comptroller; Ms. Marie Jones, GS-12, Deputy Comptroller, Retired; and Ms. Wanda Ferguson, GS-12, Supervisor Operating Accountant, Retired, were responsible for the violation. Administrative discipline was imposed on Ms. Witcher, and she was issued a letter of caution along with an imposed requirement to complete Fiscal Law training. Attempts were made with due diligence to acquire statements from Ms. Jones and Ms. Ferguson, who retired from government service. However, they could not be reached in order to give them the opportunity to make an official statement. 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 USNO, established policy whereby 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

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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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To prevent a recurrence of this type of violation, the Naval Meteorology and Oceanography Command (COMNAVMETOCOM), the parent command of USNO, established policy whereby all lower echelon proposed reimbursable agreements are reviewed and cleared by COMNAVMETOCOM general counsel prior to any formal negotiations.



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

Sincerely,

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

Robert F. Hale

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WASHINGTON, DC 20301-1100

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SEP 14 2010

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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