



U.S. Election Assistance Commission
1335 East-West Highway, Suite 4300
Silver Spring, MD 20910
www.eac.gov

October 21, 2014

Mr. Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, D.C. 20500

Dear Mr. Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. 1351.

A violation of section 1341 occurred in the Election Assistance Commission's (EAC) account 95-08-1651, Election Reform Programs, in the amount of \$2,266,085 when EAC disbursed funds after they had been cancelled. The violation occurred on October 25, 2013, in connection with fiscal year (FY) 2008 EAC formula grant funds for requirements payments under section 251 of the Help America Vote Act of 2002 (HAVA).

On September 9, 2013, EAC received a letter dated September 6, 2013, from a requirements payment grantee certifying compliance with the provisions of HAVA and requesting FY 2008 formula grant funds for requirements payments under section 251 of HAVA. On September 27, 2013, EAC verified that all certifications, State Plan requirements, and match requirements were met, at which time the funds became due and immediately payable to the State grantee. In addition to receiving such certification from the State, it was EAC's practice to request payment only after receiving post-award administrative assurance forms from the State. The State's assurances were received on October 1 and October 2, 2013. EAC sent a written request to its financial service provider on October 17, 2013 (the first day the Government was open after the shutdown), and the financial service provider disbursed the funds to the State on October 25, 2013. The funds that were disbursed had been appropriated as annual funds for FY 2008, however, and thus were cancelled on September 30, 2013, pursuant to 31 U.S.C. 1552. This disbursement of cancelled funds violated the ADA.

EAC is taking steps to recover the funds disbursed to the State in violation of the ADA.

To prevent a recurrence of this type of ADA violation, EAC has: (1) modified its procedure to send the assurance forms to the State at the time of award rather than post-award, (2) provided financial staff with historical appropriations for requirements

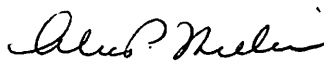
payments, (3) provided agency-wide internal control training on February 25, 2014, (4) completed financial management report production training for staff on May 13, 2014, and (5) provided accrual training to all contracting officer's technical representatives on June 3, 2014. EAC also plans to provide additional appropriations law training to staff in the near future.

Moreover, EAC has been informed that its Federal financial service provider has implemented additional across-the-board procedures and controls to prevent a recurrence of such a post-cancellation payment, including a cancelling-funds procedure and a new control in its financial management system.

Finally, no EAC staff is suspected of willfully and knowingly violating the Antideficiency Act; consequently no administrative discipline has been imposed with respect to the staff involved.

Identical letters are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General.

Respectfully,



Alice P. Miller
Chief Operating Officer and Acting
Executive Director