



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

OFFICE OF THE CHIEF FINANCIAL OFFICER

October 28, 2015

The Honorable Gene L. Dodaro
Comptroller General of the United States
441 G St. NW
Washington, DC 20548

Dear Mr. Dodaro:

This letter is to report fourteen separate violations of the Antideficiency Act (ADA) as required by sections 1351 and 1517(b) of Title 31, United States Code, and by the Department of Housing and Urban Development's (HUD) Fiscal Year (FY) 2003 Appropriations Act (Salaries and Expenses (S&E) Account; Public Law 108-7). The letter, accordingly, has fourteen sections grouped into three general categories (personnel, contracts, and loans).

The ADA violations occurred during FYs 2001 – 2004, 2006, 2007, and 2009 – 2013. A concerted effort has been made by the Department, with the assistance of the Office of Management and Budget (OMB), during the past two years to finish the ADA investigations with respect to financial transactions that occurred during such years and to now report all such ADA violations. During the last two years, the Department has revamped its ADA process to ensure that violations are investigated, determined, and reported in a timely manner.

The Department has determined that none of these violations contained willful or knowing intent on the part of employees to violate the ADA. Twelve of the ADA violations were due to systemic failures, and therefore the Department has not identified particular responsible officials in these instances.

As ADA violations were initially discovered, the Department worked timely to mitigate internal control weaknesses. In efforts to identify and implement any further necessary corrective actions, the Department is working with OMB to examine its financial controls across all offices to address the variety and systemic nature of the ADA violations. This entails an immediate, comprehensive review of the Department's financial management practices, communication protocols, and written guidance, including the Department's administrative funds control handbook and program plans. In addition, the Department is modernizing its financial management operations by moving key administrative and accounting functions to a federal shared service provider in order to improve financial transparency, regulatory compliance, and funds control. Finally, the Department has been sponsoring several annual GAO appropriations law training sessions for those employees who will benefit most from the training, including funding officials and their staff involved in obligating and expending funds throughout the Department.