



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

COMPTROLLER

APR 07 2016

The Honorable Gene Dodaro
Comptroller General of the United States
Washington, DC 20548

Dear Mr. Dodaro:

This letter reports a violation of the Antideficiency Act (ADA), Department of Defense (DoD) Office of Inspector General (OIG) case number 15-01 (enclosed), as required by 31 U.S.C. § 1351. The violation involved fiscal years (FYs) 2012 and 2013 Operations and Maintenance, DoD OIG (OMIG) funds. The violation totaled \$2.7 million and occurred within the DoD OIG, Office of the Comptroller, and the Office of the Deputy Inspector General for Administration and Management, Information Systems Directorate (ISD). In this case, the development of the Defense Case Activity Tracking System (DCATS) and Case Reporting and Information Management System (CRIMS) projects were improperly funded with OMIG appropriations, instead of Research, Development, Test, and Evaluation appropriations. Accordingly, obligations incurred for these projects were not authorized and resulted in a violation of 31 U.S.C. § 1341(a)(1)(A).

The DoD OIG obligated and expended \$2.3 million in FY 2012 for DCATS, and \$400,000 in FY 2013 for DCATS and CRIMS. ISD conducted a review to determine the best option to replace the legacy case management systems used by Administrative Investigations (AI) and the DoD Hotline. ISD identified the Microsoft Dynamics CRM (CRM) dynamic case management platform as an ideal replacement candidate for the existing systems. DCATS and CRIMS required developmental work using CRM and were configured and customized to meet the needs and requirements of AI and DoD Hotline. The use of OMIG funds to develop DCATS and CRIMS projects was not consistent with the authorized purpose of the appropriation and resulted in an incurable violation of the Purpose Statute (31 U.S.C. § 1301).

The violation occurred when service orders were placed on the Washington Interagency Telecommunications Services (WITS) service contract, which was funded with OMIG funds. The DoD OIG utilized Microsoft system developers under the WITS service contract for initial system development of the Integrated Case Management System (later identified as DCATS). The DoD OIG Comptroller's Office did not provide adequate oversight of the WITS contract to determine whether funding DCATS development via the WITS contract was appropriate and did not question the use of Microsoft system developers for DCATS development. In fact, DoD OIG Comptroller personnel were unaware that DCATS was being developed under the WITS service contract.



Ms. Joan M. Deem, Financial Manager; Mr. Matthew P. Steiniger, Director ISD; Ms. Cristina Bucher, Supervisory Budget Analyst; Mr. Matthew Kekoa LumHo, Chief, Unified Communications, ISD; Ms. Althea Williams, Budget Analyst; and Ms. Jennifer Paper, Budget Analyst, were found responsible for the 31 U.S.C. § 1341(a)(1)(A) violation. Ms. Deem, Mr. Steiniger, Mr. LumHo, and Ms. Paper are no longer employed by DoD OIG. Mr. Steven Stebbins, Chief of Staff, administered letters of reprimand to Ms. Cristina Bucher and Ms. Althea Williams. The violation contained no willful or knowing intent on the part of the responsible individuals to violate the ADA.

To prevent a recurrence of this type of violation, the DoD OIG has taken several steps to avoid future ADA violations. These steps include establishing the Technology Review Council (TRC) to ensure the strategic alignment, capital planning, and investment of IT projects to the mission of the DoD OIG; updating the DoD OIG's Instructions to incorporate guidance pertaining to the TRC, Defense Business Systems, and other matters related to the acquisition of IT resources; sponsoring mandated training events such as Federal Appropriations Law and Fiscal Law training; and instituting supervisory reviews of Military Interdepartmental Purchase Requests.

Identical reports are also being submitted to the President through the Director of the Office of Management and Budget, President of the Senate, and Speaker of the House of Representatives.

Sincerely,



Michael McCord

Enclosure:
As stated