



Pension Benefit Guaranty Corporation  
1200 K Street, N.W., Washington, D.C. 20005-4026

August 23, 2016

The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street, NW  
Washington DC 20548

Dear Director Dodaro:

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

A violation of 31 U.S.C. 1342 occurred in May of 2015 in connection with voluntary services received by the Pension Benefit Guaranty Corporation (PBGC) Workplace Solutions Department (WSD). Director of WSD, Ms. Alisa Cottone, was responsible for the violation.

WSD obtained the services of an independent subcontractor under an existing PBGC contract. Funding for the independent subcontractor's work was exhausted after May 4, 2015 and the prime contractor formally processed the individual's termination from its contract, and advised him to cease working after May 4, 2015. Nonetheless, at Ms. Cottone's behest, the independent subcontractor continued performing work for WSD after his contract funding expired, until June 1, 2015, when he became a federal employee of WSD. The independent subcontractor has since requested \$18,720 in compensation from PBGC for the work he performed in May of 2015. A report from PBGC's Inspector General regarding this matter is attached to this letter.

PBGC is reviewing its processes for procuring independent subcontractors to implement additional controls. PBGC is also revising its system of administrative control of funds.

The Chief Management Officer is considering appropriate discipline of the WSD Director. PBGC has determined that the responsible party had no knowing and willful intent to violate the Antideficiency Act.

Identical reports are being submitted to the President of the United States, the President of Senate, and the Speaker of the House of Representatives.

Respectfully,

The Honorable W. Thomas Reeder Jr.  
Director, Pension Benefit Guaranty Corporation

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