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

COMPTROLLER

FEB 17 2012

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Antideficiency Act Reports
Room 7165
411 G Street, NW
Washington, DC 20548

Dear Mr. Dodaro:

This letter is to report violations of the Antideficiency Act as required by title 31, U.S.C., section 1517(b). The Department of the Navy violation, case number 11-05, was in the amount of $100,318.16.

Enclosed are copies of the letters transmitting a report of violation of title 31, U.S.C., section 1517. Copies were submitted to the President, the President of the Senate, the Speaker of the House of Representatives, and the Director of the Office of Management and Budget.

Sincerely,

Robert F. Hale

Robert F. Hale

Enclosures:
As stated

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

COMPTROLLER

FEB 17 2012

The Honorable Jeffrey Zients
Acting Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Zients:

Enclosed are a letter and report transmitting a violation of title 31, U.S.C., section 1517 to the President. The Antideficiency Act violation, Navy case number 11-05, totaled $100,318.16. This violation report is required by title 31, U.S.C., section 1517(b), to be submitted to the President through the Director of the Office of Management and Budget. The Navy did not receive a clean audit opinion during the fiscal year in which the violation occurred.

The violation contained no willful or knowing intent on the part of the responsible parties to violate the Antideficiency Act. To comply with the aforementioned provisions, copies of the report are also being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General of the United States.

Sincerely,

Robert F. Hale

Robert F. Hale

Enclosures:
As stated

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

COMPTROLLER

FEB 17 2012

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 11-05 (enclosed), as required by title 31, U.S.C., section 1517(b). The violation occurred within the Navy Working Capital Fund (NWCF) account 97 X 4930 during Fiscal Year (FY) 2007 at the Naval Facilities Engineering Command, Mid-Atlantic (NAVFAC MIDLANT). The violation totaled $100,318.16.

The violation occurred because project planning and design costs associated with two NAVFAC MIDLANT NWCF Capital Investment Program (CIP) minor construction projects completed in FY 2007 were not financed in the minor construction portion of the NWCF Capital Budget. When the amount of the misclassified planning and design costs were allocated to the respective minor construction projects, total Capital Budget expenditures exceeded the total Capital Budget authority. In order to correct this overobligation, additional unobligated capital budget authority had to be transferred to NAVFAC MIDLANT from other NAVFAC commands. As the capital budget authority issued to NAVFAC MIDLANT was subject to the statuatory limitations of title 31, U.S.C., section 1517, the obligation in excess of the formal subdivision of funds resulted in one violation of this statute in the amount of $100,318.16.

Ms. Eunice Hutchings, Comptroller, GS-15, and Ms. Pamela D. Gay, Accountant, GS-13, were responsible for the violation. Ms. Hutchings has retired and is no longer employed in the Federal Service. Ms. Gay was orally admonished and instructed to attend additional training. There was 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, NAVFAC MIDLANT replaced the 2004 Capital Purchase Program guidance with the 2010 CIP Standard Operating Procedure which provides proper instruction for the capitalization of planning and design costs. NAVFAC MIDLANT also created monthly tracking reports that pull CIP costs into a format that is easily reviewed by analysts.

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

Respectfully yours,

Robert F. Hale

Robert F. Hale

Enclosure:
As stated

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

COMPTROLLER

FEB 17 2012

The Honorable Joseph R. Biden, Jr.
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

This letter reports a violation of the Antideficiency Act (ADA), Navy case number 11-05 (enclosed), as required by title 31, U.S.C., section 1517(b). The violation occurred within the Navy Working Capital Fund (NWCF) account 97 X 4930 during Fiscal Year (FY) 2007 at the Naval Facilities Engineering Command, Mid-Atlantic (NAVFAC MIDLANT). The violation totaled $100,318.16.

The violation occurred because project planning and design costs associated with two NAVFAC MIDLANT NWCF Capital Investment Program (CIP) minor construction projects completed in FY 2007 were not financed in the minor construction portion of the NWCF Capital Budget. When the amount of the misclassified planning and design costs were allocated to the respective minor construction projects, total Capital Budget expenditures exceeded the total Capital Budget authority. In order to correct this overobligation, additional unobligated capital budget authority had to be transferred to NAVFAC MIDLANT from other NAVFAC commands. As the capital budget authority issued to NAVFAC MIDLANT was subject to the statuatory limitations of title 31, U.S.C., section 1517, the obligation in excess of the formal subdivision of funds resulted in one violation of this statute in the amount of $100,318.16.

Ms. Eunice Hutchings, Comptroller, GS-15, and Ms. Pamela D. Gay, Accountant, GS-13, were responsible for the violation. Ms. Hutchings has retired and is no longer employed in the Federal Service. Ms. Gay was orally admonished and instructed to attend additional training. There was 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, NAVFAC MIDLANT replaced the 2004 Capital Purchase Program guidance with the 2010 CIP Standard Operating Procedure which provides proper instruction for the capitalization of planning and design costs. NAVFAC MIDLANT also created monthly tracking reports that pull CIP costs into a format that is easily reviewed by analysts.

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

Sincerely,

Robert F. Hale

Robert F. Hale

Enclosure:
As stated

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

COMPTROLLER

FEB 17 2012

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

This letter reports a violation of the Antideficiency Act (ADA), Navy case number 11-05 (enclosed), as required by title 31, U.S.C., section 1517(b). The violation occurred within the Navy Working Capital Fund (NWCF) account 97 X 4930 during Fiscal Year (FY) 2007 at the Naval Facilities Engineering Command, Mid-Atlantic (NAVFAC MIDLANT). The violation totaled $100,318.16.

The violation occurred because project planning and design costs associated with two NAVFAC MIDLANT NWCF Capital Investment Program (CIP) minor construction projects completed in FY 2007 were not financed in the minor construction portion of the NWCF Capital Budget. When the amount of the misclassified planning and design costs were allocated to the respective minor construction projects, total Capital Budget expenditures exceeded the total Capital Budget authority. In order to correct this overobligation, additional unobligated capital budget authority had to be transferred to NAVFAC MIDLANT from other NAVFAC commands. As the capital budget authority issued to NAVFAC MIDLANT was subject to the statuatory limitations of title 31, U.S.C., section 1517, the obligation in excess of the formal subdivision of funds resulted in one violation of this statute in the amount of $100,318.16.

Ms. Eunice Hutchings, Comptroller, GS-15, and Ms. Pamela D. Gay, Accountant, GS-13, were responsible for the violation. Ms. Hutchings has retired and is no longer employed in the Federal Service. Ms. Gay was orally admonished and instructed to attend additional training. There was 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, NAVFAC MIDLANT replaced the 2004 Capital Purchase Program guidance with the 2010 CIP Standard Operating Procedure which provides proper instruction for the capitalization of planning and design costs. NAVFAC MIDLANT also created monthly tracking reports that pull CIP costs into a format that is easily reviewed by analysts.

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

Sincerely,

Robert F. Hale

Robert F. Hale

Enclosure:
As stated