



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

JUN 9 2012

Dear Mr. President:

This letter reports a violation of the Antideficiency Act (ADA), Army case number 10-02 (enclosed), as required by title 31, U.S.C., section 1351. The violation in the Military Personnel, Army (MPA) appropriation, account 2182010, occurred within the Office of the Assistant Secretary of the Army for Financial Management and Comptroller during Fiscal Year (FY) 2008. The violation totaled \$155,000,000.00.

The violation occurred when the Office of the Deputy Chief of Staff, G-1, did not properly manage the FY 2008 MPA appropriation and caused total obligations in the MPA account to exceed the appropriation's obligation authority by \$155 million. The main causes of the ADA violation were the Army's inability to precisely estimate and track obligations in real time and the failure to track upward pay-related adjustments occurring during the fiscal year. This mismanagement of the MPA appropriation resulted in a violation of title 31, U.S.C., section 1341.

Lieutenant General Michael Rochelle, Deputy Chief of Staff G-1 (Retired), and Mr. Roy A. Wallace, Senior Executive Service, former Director of Plans and Resources for G-1, were found responsible for the violation. Disciplinary action is being imposed and still pending by the U.S. Army Vice Chief of Staff and the Department of the Army Civilian Senior Leader Management Office, respectively. Once discipline has been administered, a summary will be forwarded to your office as an addendum to this report. The violation contained 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, the Army has initiated several improvements and enhancements to the cost model that forecasts funding requirements and obligations based on changes in manpower during the fiscal year. The Army has also initiated several Lean Six Sigma projects designed to improve the oversight of the MPA appropriation.

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



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COMPTROLLER

JUN 9 2012

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

Dear Mr. President:

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Sincerely,

Robert F. Hale



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COMPTROLLER

JUN 9 2012

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

Dear Mr. Speaker:

This letter reports a violation of the Antideficiency Act (ADA), Army case number 10-02 (enclosed), as required by title 31, U.S.C., section 1351. The violation in the Military Personnel, Army (MPA) appropriation, account 2182010, occurred within the Office of the Assistant Secretary of the Army for Financial Management and Comptroller during Fiscal Year (FY) 2008. The violation totaled \$155,000,000.00.

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Lieutenant General Michael Rochelle, Deputy Chief of Staff G-1 (Retired), and Mr. Roy A. Wallace, Senior Executive Service, former Director of Plans and Resources for G-1, were found responsible for the violation. Disciplinary action is being imposed and still pending by the U.S. Army Vice Chief of Staff and the Department of the Army Civilian Senior Leader Management Office, respectively. Once discipline has been administered, a summary will be forwarded to your office as an addendum to this report. The violation contained no willful or knowing intent on the part of the responsible parties to violate the ADA.

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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

Enclosure:
GAO-ADA-12-15



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

COMPTROLLER

JUN 9 2012

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

Dear Mr. Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA) as required by title 31, U.S.C., section 1351. The Department of the Army violation, case number 10-02, was in the amount of \$155,000,000.00. An addendum to this ADA report will be forwarded once disciplinary action is completed.

Enclosed are copies of the letters transmitting a report of violation of title 31, U.S.C., section 1341. 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,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

Enclosures:
As stated



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

COMPTROLLER

JUN 9 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 1341, to the President. The Antideficiency Act violation, Army case number 10-02, totaled \$155,000,000.00. This violation report is required by title 31, U.S.C., section 1351, to be submitted to the President through the Director of the Office of Management and Budget. The Army did not receive a clean audit opinion during the fiscal year in which the violation occurred.

It was determined that the violation contained no willful or knowing intent on the part of the responsible parties to violate the Antideficiency Act. Disciplinary action is pending by the U.S. Army Vice Chief of Staff and the Department of the Army Civilian Senior Leader Management Office, respectively. Once discipline has been administered a summary will be forwarded to your office as an addendum to the report. 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,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

Enclosures:
As stated



COMPTROLLER

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

SEP 30 2012

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

Dear Mr. Dodaro:

This letter is an addendum to the Army Antideficiency Act violation report on Army case number 10-02, submitted to your office on June 9, 2012, reporting a violation in the amount of \$155 million. At the time the original report was submitted, disciplinary action was still pending on the two people deemed responsible for the violation, Mr. Roy A. Wallace, a member of the Senior Executive Service, and Lieutenant General (LTG) Michael Rochelle (Retired).

Disciplinary action has been imposed, and is documented in the updated section 13 of the Report of Violation. In summary, the Office of the Under Secretary of the Army issued Mr. Wallace a written admonishment, and the U.S. Army Vice Chief of Staff verbally counseled LTG Rochelle.

Enclosed are the revised letters and report as required by title 31, U.S.C., section 1341. The President of the Senate and the Speaker of the House of Representatives will be receiving addendum letters. The President, through the Acting Director of the Office of Management and Budget (OMB), will be receiving a revised letter and report to replace the original letter and report that OMB is currently holding. OMB opted not to transmit the letter and report to the President until final disposition of the disciplinary actions was documented.

Sincerely,

Robert F. Hale

Enclosures:
As stated





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SEP 30 2012

COMPTROLLER

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

Dear Mr. Zients:

Enclosed is a revised letter and report to the President resubmitting the Army Antideficiency Act violation report, case number 10-02, in the amount of \$155 million to replace the letter and report you are currently holding. At the time of the original submission, dated June 9, 2012, disciplinary action was still pending for Mr. Roy A. Wallace, a member of the Senior Executive Service, and Lieutenant General Michael Rochelle (Retired). The revised letter and report now reflect the disciplinary actions imposed on them in paragraph 3 of the President's letter and section 13 of the report.

Sincerely,

A handwritten signature in cursive script that reads "Robert F. Hale".

Robert F. Hale

Enclosures:
As stated





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Lieutenant General Michael Rochelle, Deputy Chief of Staff G-1 (Retired), and Mr. Roy A. Wallace, Senior Executive Service, former Director of Plans and Resources for G-1, were found responsible for the violation. The U.S. Army Vice Chief of Staff verbally counseled Lieutenant General Rochelle, and Mr. Wallace was issued a written reprimand by the Office of the Under Secretary of the Army. The violation contained 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, the Army has initiated several improvements and enhancements to the cost model that forecasts funding requirements and obligations based on changes in manpower during the fiscal year. The Army has also initiated several Lean Six Sigma projects designed to improve the oversight of the MPA appropriation.

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Robert F. Hale

Enclosure:
GAO-ADA-12-15 Addendum



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Sincerely,

Robert F. Hale

Enclosure:
As stated





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Enclosure:
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