



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

JUL 31 2012

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

Dear Mr. Dodaro:

This letter is to report violations of the Antideficiency Act (ADA) as required by title 31, U.S.C., sections 1351 and 1517(b), Department of the Air Force ADA case number 10-04. Violations of title 31, U.S.C., sections 1341 and 1517 occurred on two information technology Air Force business system contracts: the Engine Management Logistics Infrastructure (EMLI) system contract and the Engine Health Management Data Repository Center (EHMDRC) system contract. The total amount of the violations was \$4,347,634.55 for the EMLI contract and \$18,968,686.76 for the EHMDRC contract.

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

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

JUL 31 2012

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

Dear Mr. Zients:

Enclosed are a letter and the Department of the Air Force Antideficiency Act report, case number 10-04, transmitting violations of title 31, U.S.C., sections 1341 and 1517 to the President. Violations of title 31, U.S.C., sections 1341 and 1517 occurred on two information technology Air Force business system contracts: the Engine Management Logistics Infrastructure (EMLI) system contract and the Engine Health Management Data Repository Center (EHMDRC) system contract. The total amount of the violations was \$4,347,634.55 for the EMLI contract and \$18,968,686.76 for the EHMDRC contract. This violation report is required by title 31, U.S.C., sections 1351 and 1517(b), to be submitted to the President through the Director of the Office of Management and Budget. The Air Force did not receive a clean audit opinion during the fiscal year in which the violations occurred.

These violations contained no willful or knowing intent on the part of the responsible party 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,

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

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

JUL 31 2012

Dear Mr. President:

This letter reports violations of the Antideficiency Act (ADA), Air Force case number 10-04, as required by title 31, U.S.C., sections 1351 and 1517(b). Violations of title 31, U.S.C., sections 1341 and 1517 occurred within the Operation and Maintenance (O&M) account (3400), Procurement account (3080) and Working Capital fund account (4930), during Fiscal Years 2004 through 2009 at the 639 Aircraft Sustainment Group and the 327 Aircraft Sustainment Wing, Tinker Air Force Base, Oklahoma.

The enclosed violations of title 31, U.S.C., sections 1341 and 1517 occurred on two information technology (IT) Air Force business system contracts: the Engine Management Logistics Infrastructure (EMLI) system contract and the Engine Health Management Data Repository Center (EHMDRC) system contract. Violations of section 1341 occurred when Air Force personnel obligated and expended over one million dollars without first obtaining statutory certification required by title 10, U.S.C., section 2222 for both the EMLI and DHMDRC contracts. Violations of section 1517 occurred as the development contracts were funded with O&M, Procurement, and Working Capital funds instead of Research, Development, Test, and Evaluation (RDT&E) funds. Accounting adjustments were made to properly align the funding, however there was not enough RDT&E funding to cover the expenditures for the EMLI and EHMDRC contracts. Therefore funds had to be realigned at the agency level, creating the section 1517 violation. The total amount of the violations was \$4,347,634.55 for the EMLI contract and \$18,968,686.76 for the EHMDRC contract.

Mr. Jimmie Wallin, YA-02, Logistics Officer, was responsible for the violations. Mr. Wallin was disciplined and received a written reprimand. There was no willful or knowing intent on the part of the responsible party to violate the ADA.

To prevent recurrence of these types of violations, units at Tinker will ensure program managers and finance personnel agree on the right type of appropriation to fund the project and proposed IT systems are reviewed by IT personnel for title 10, U.S.C., section 2222 compliance.

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,

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

Robert F. Hale

Enclosure:
As stated



COMPTROLLER

UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL 31 2012

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

Dear Mr. President:

This letter reports violations of the Antideficiency Act (ADA), Air Force case number 10-04, as required by title 31, U.S.C., sections 1351 and 1517(b). Violations of title 31, U.S.C., sections 1341 and 1517 occurred within the Operation and Maintenance (O&M) account (3400), Procurement account (3080) and Working Capital fund account (4930), during Fiscal Years 2004 through 2009 at the 639 Aircraft Sustainment Group and the 327 Aircraft Sustainment Wing, Tinker Air Force Base, Oklahoma.

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COMPTROLLER

UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL 31 2012

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

Dear Mr. Speaker:

This letter reports violations of the Antideficiency Act (ADA), Air Force case number 10-04, as required by title 31, U.S.C., sections 1351 and 1517(b). Violations of title 31, U.S.C., sections 1341 and 1517 occurred within the Operation and Maintenance (O&M) account (3400), Procurement account (3080) and Working Capital fund account (4930), during Fiscal Years 2004 through 2009 at the 639 Aircraft Sustainment Group and the 327 Aircraft Sustainment Wing, Tinker Air Force Base, Oklahoma.

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DEPARTMENT OF THE AIR FORCE

WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY

JUN 15 2012

MEMORANDUM FOR OFFICE OF THE UNDER SECRETARY OF DEFENSE
(COMPTROLLER)

FROM: SAF/FMP
1130 Air Force Pentagon
Washington, DC 20330-1130

SUBJECT: Antideficiency Act (ADA) Violation Case F10-04, Air Force Materiel Command (AFMC), Engine Management System, Tinker AFB, OK

SAF/FMP submits Antideficiency Act (ADA) Case F10-04 for closure. The formal ADA investigation resulted in violations of both 31 U.S.C. 1341(a)(1) and 31 U.S.C. 1517(a)(2) and disciplinary action was administered on 13 June 2012.

Antideficiency Act (ADA) violations of 31 U.S.C. 1341(a)(1) occurred within the 639 Aircraft Sustainment Group (639 ACSG/PE), 327 Aircraft Sustainment Wing (327 ASW) at Tinker Air Force Base, Oklahoma, when a contract for the Engine Management Logistics Infrastructure (EMLI) system and the contracts for the Engine Health Management Data Repository Center (EHMDRC) system each obligated and expended over one million dollars without certification required under statute 10 U.S.C. 2222.

The 2005 National Defense Authorization Act (NDAA), codified in 10 U.S.C. 2222 that effective 1 October 2005 (FY06), "funds appropriated to the Department of Defense may not be obligated for a defense business system modernization that will have a total cost in excess of \$1M" unless the system is certified in accordance with statutory requirements. This resulted in violations of Title 31, United States Code, Section 1341(a)(1) of \$4,347,634.55 for EMLI and \$13,641,951.50 for EHMDRC.

In addition, violations of 31 U.S.C. 1517(a)(2) occurred on the contract for the Engine Management Logistics Infrastructure (EMLI) and the contracts for the Engine Health Management Data Repository Center (EHMDRC) system, since O&M (3400), Working Capital (4930) and Procurement (3080) funds were used to fund developmental efforts for both systems when RDT&E (3600) funds should have been used. This resulted in violations of Title 31, United States Code, Section 1517(a)(2) in the amount of \$4,347,634.55 for EMLI and \$14,356,038.58 for EHMDRC because the systems should have been funded with RDT&E (3600) funds, but was funded with O&M (3400), Working Capital (4930) and Procurement (3080) funds.

Accounting corrections could have remedied the 31 U.S.C. 1517(a)(2) violations if there had been enough funds available at the lowest level of distribution, however, there were not enough RDT&E funds in Program Element Code (PEC) 78611F for FY05-09 to cover the expenditures for the EMLI and EHMDRC systems. Since funding had to be realigned at the agency level, this

resulted in a violation of Title 31, United States Code, Section 1517(a)(2) - Administrative Control of Funds.

I concur with the disciplinary action taken by AFMC and the resolution associated with ADA Case F10-04, and recommend this case be closed. If you have any questions or require additional information, please contact Mr. Fredrick Carr at (240) 612-5212.


JOAN A. CAUSEY
Deputy Assistant Secretary
Financial Operations
(Financial Management)

2 Attachments:

1. Summary Report of Violation (F10-04)
2. Disciplinary Action (13 Jun 12)

SUMMARY REPORT OF VIOLATION

DEPARTMENT OF THE AIR FORCE
SUMMARY REPORT OF ANTIDEFICIENCY ACT VIOLATION
Air Force Case Number F10-04

1. Appropriation Title, Symbol, and Apportionment Status:
 - a. Research, Development, Test and Evaluation (RDT&E) (3600), Operations & Maintenance (O&M) (3400), Procurement (3080) and Working Capital (4930)
 - b. Fiscal Year (FY) 2004-2009
 - c. Funds were apportioned
2. Where Violation Occurred: The 639 Aircraft Sustainment Group (639 ACSG/PE), 327 Aircraft Sustainment Wing (327 ASW) at Tinker Air Force Base, Oklahoma.
3. Name and Location of Directorate Issuing the Fund Authorization: Air Force Materiel Command, Wright-Patterson AFB, OH
4. Amount of Violations:

Engine Management Logistics Infrastructure (EMLI) System:

(\$4,347,634.55) for 31 U.S.C. 1341(a)(1) & (\$4,347,634.55) for 31 U.S.C. 1517(a)(2); since these expenditures are the same for both violations, the total amount of the EMLI violations is \$4,347,634.55.

Engine Health Management Data Repository Center (EHMDRC) System:

(\$13,641,951.50) for 31 U.S.C. 1341(a)(1) & (\$14,356,038.58) for 31 U.S.C. 1517(a)(2); excluding overlapping expenditures (\$9,029,303.32), the total amount of the EHMDRC violations is \$18,968,686.76.

5. Date Violations Occurred: The violations were first discovered on 3 February 2009, but they first occurred 8 July 2004 (FY04) when the first contract was initially awarded and continued until 13 February 2009 (FY09) when a stop work order was issued for all the contracts.
6. Type of Violations:

Title 31 U.S.C. Section 1341(a)(1) - Limitations on Expending and Obligating Amounts
Title 31 U.S.C. Section 1517(a)(2) - Administrative Control Funds
7. Effect of Violations on the Next Higher Level of Funding. Since RDT&E (3600) funds were not available at the lowest subdivision of funds to do the accounting corrections, a total of \$18,928,199.46 in RDT&E funds had to be realigned for FY05-09 and led to a violation of 31 U.S.C. 1517(a)(2).

8. Name, Rank, Position Title, and Organization of the Responsible Person(s):
Mr. Jimmie Wallin, YA-02, Logistics Officer and Engineering at Oklahoma City,
OC-ALC/ENSN, Tinker AFB, OK

9. Signed Statement(s) of Responsible Person(s): Yes

10. Date(s) and Description Violation(s) Was Discovered:

The Title 31 U.S.C. Section 1341(a)(1), Limitations on Expending and Obligating Amounts was discovered on 3 February 2009. In reviewing EMLI future year requirements, the 327 ASW/FM questioned the use of O&M funds for the developmental efforts underway. Shortly afterwards, a review of the EHMDRC requirements revealed the certification required by 10 U.S.C. 2222 had not been obtained. Upon learning of these issues, the 639 ACSG/PE ordered a review of the funding and contracts for both programs. These ADA violations were discovered as part of this review.

The Title 31 U.S.C. Section 1517(a)(2) - Administrative Control Funds violation occurred in FY10 and FY11 when the contracts were reconciled and modifications & 1081 journal vouchers were done to correctly charge the expenditures to RDT&E. Since there were not enough funds available at the lowest level of distribution, funds had to be realigned at the agency level.

11. Causes and Circumstances Surrounding the Violations:

31 U.S.C. 1341(a)(1)(a) (Amount Limitation)

Antideficiency Act (ADA) violations of 31 U.S.C. 1341(a)(1) occurred within the 639 Aircraft Sustainment Group (639 ACSG/PE), 327 Aircraft Sustainment Wing (327 ASW) at Tinker Air Force Base, Oklahoma, when a contract for the Engine Management Logistics Infrastructure (EMLI) system and the contracts for the Engine Health Management Data Repository Center (EHMDRC) system each obligated and expended over one million dollars without certification required under statute 10 U.S.C. 2222.

The 2005 National Defense Authorization Act (NDAA), codified in 10 U.S.C. 2222 that effective 1 October 2005 (FY06), "funds appropriated to the Department of Defense may not be obligated for a defense business system modernization that will have a total cost in excess of \$1M" unless the system is certified in accordance with statutory requirements.

This resulted in two violations of **Title 31, United States Code, Section 1341(a)(1)** for expenditures incurred in FY 07 of **\$4,347,634.55 for EMLI and \$13,641,951.50 in FY06-FY09 for EHMDRC**. The 1341 violation amounts do not include any contract expenditures prior to FY06, since 10 U.S.C. 2222 did not go into effect until 1 Oct 2005. (A detailed summary of the 1341 violation amounts for EMLI and EHMDRC can be found in ROV Addendum #3.)

- The **EMLI** contract (FA8601-04-F-0040) was awarded on 27 September 2007 with FY07 Operations & Maintenance (O&M) funds for \$6,374,000.00, a stop work order was issued on 13 Feb 2009, no certification was sought for EMLI and the contract was terminated on 13 May 2009.
- The **EHMDRC** contract (FA810404C0133) was initially awarded on 8 July 2004 with FY04 Operations & Maintenance (O&M) funds. A stop work order was later issued on 13 Feb 2009 for all EHMDRC contracts for FY04-09: (FA810404C0133, FA810406C0213, FA810407C0169, FA810407C0173, FA810407C0260, FA812408C0002). The FY04-FY09 expenditures for EHMDRC were initially \$23,161,971.30, however, it was later adjusted to \$13,641,951.50 after excluding the FY04-FY05 expenditures for EHMDRC, since 10 U.S.C. 2222 did not go into effect until FY06. It was further adjusted for improper expenditures and contract (FA8104-05-C-0071), since this was a separate effort unrelated to EHMDRC. The EHMDRC system was eventually certified by the Defense Business Systems Management Committee (DBSMC) on 2 September 2009.

31 U.S.C. 1517(a)(2) (Administrative Control of Funds)

In addition to the 31 U.S.C. 1341(a)(1) ADA violations, multiple 31 U.S.C. 1517(a)(2) violations occurred on the contract for the Engine Management Logistics Infrastructure (EMLI) system in FY07 and the contracts for the Engine Health Management Data Repository Center (EHMDRC) system from FY04-09, since O&M (3400), Working Capital (4930) and Procurement (3080) funds were used to fund developmental efforts for both systems when RDT&E (3600) funds should have been used.

This resulted in multiple violations of Title 31, United States Code, Section 1517(a)(2) in the amount of **\$4,347,634.55 for EMLI and \$14,356,038.58 for EHMDRC** because the systems should have been funded with RDT&E (3600) funds, but were funded with O&M (3400), Working Capital (4930) and Procurement (3080) funds. Some of the prior fiscal years for RDT&E had available funding, although not enough to cover all the expenditures, so funds had to be realigned at the agency level within the RDT&E PECs.

When the **EMLI** contract for \$6,374,000.00 was terminated, only \$4,347,634.55 was expended before the stop work order was issued. A contract modification for EMLI was done on 25 May 2011 and a 1081 journal voucher was processed 15 July 2011 for \$5,071,447.12 to move the expenditures for EMLI from O&M (3400) to RDT&E (3600). This included \$725,110.21 that was found to have been posted incorrectly in the accounting system and were not related to the delivery order for EMLI.

For the six **EHMDRC** contracts, \$15,340,864.67 was expended in FY04-FY09 against the wrong appropriations, so accounting corrections were made to move the expenditures for EHMDRC from O&M (3400), WCF (4930) and Procurement (3080) to RDT&E (3600).

Accounting Corrections for EHMDRC Contracts:

1. FA810404C0133	\$5,447,444.61	Modification & 1081 journal voucher
2. FA810406C0213	\$3,543,518.95	Modification & 1081 journal voucher
3. FA810407C0169	\$1,899,139.43	Modification & 1081 journal voucher
4. FA810407C0173	\$3,254,159.97	Modification & 1081 journal voucher
5. FA810407C0260	\$538,572.45	Modification & 1081 journal voucher
6. FA812408C0002	\$658,029.26	Modification & 1081 journal voucher
TOTAL	\$15,340,864.67	

(NOTE: Table 1 in the Addendum to the ROV provides a detailed break out of how the 1517 violation amount for EHMDRC was derived.)

31 U.S.C. 1517(a)(2) (Administrative Control of Funds) – cont'd

Accounting corrections would have remedied the 31 U.S.C. 1517(a)(2) violations if there had been enough funds available at the lowest level of distribution, however, there were not enough RDT&E funds in Program Element Code (PEC) 78611F for FY05-09 to cover the expenditures for the EMLI and EHMDRC systems.

This resulted in a violation of Title 31, United States Code, Section 1517(a)(2) - Administrative Control of Funds, since funding had to realigned at the agency level.

12. Evidence of Willful Intent to Violate: The investigating officer concluded that the evidence gathered did not substantiate that Mr. Jimmie Wallin committed these ADA violations knowingly and willfully.

13. Disciplinary Actions Taken: No disciplinary action has been imposed pending review.

14. Corrective Actions: Funding was realigned at the agency level and accounting corrections were made to correctly charge the EMLI and EHMDRC expenditures to RDT&E. In addition, the Air Force added two additional steps to their review process.

- A dedicated Financial Management (FM) person reviews and approves all funding documents for the group. The FM also works with Program Managers to budget the correct type of funding and ensures the correct appropriation is identified on the Purchase Requests.
- A new checklist process ensures Information Technology (IT) personnel have reviewed and coordinated on system requirements before contract award. IT Requirements Contract verification AF Form 3215 is included in all software purchase request packages and ensures the program has proper certifications.

15. Administrative Control of Funds: Failure to follow standard accounting procedures of validating transactions, separation of duties, and performing accounting reconciliations contributed to this ADA.

16. Component or Agency Coordination: This Air Force ADA Violation Report did not require coordination with any other components or agencies.

17. Name of Holder of the Funds:

The following is a list of the 639 ACSG Commanders during the timeframe investigated that were holders of the funds:

1. Col Lansen Conley – 2004
2. Col Derrick Richardson – Oct 2005 to September 2006
3. Col Phillip Frederick – September 2006 to April 2008
4. Mr. Greg Hughes – April 2008 to January 2010
5. Mr. Rafael Garcia – January 2010 - present

**STATEMENT OF RESPONSIBLE
INDIVIDUAL(S)**



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS OKLAHOMA CITY AIR LOGISTICS CENTER (AFMC)
TINKER AIR FORCE BASE OKLAHOMA

MEMORANDUM FOR HQ AFMC/FMP (Ms. Sharon King-Roberts)
4375 Chidlaw Rd, Rm N233
Wright Patterson AFB OH 45433-5006

6 Aug 2010

FROM: OC-ALC/ENSN (Mr. Jim Wallin)
Bldg 3001, Ste 2AG-69A
Tinker AFB, OK. 73160

SUBJECT: Draft Anti-deficiency Act Violation, F10-04 EMS Tinker AFB OK

REFERENCE: HQ AFMC/FMP ltr Dated 21 July 2010 Same Subject

ET&D = Engine Trending and Diagnostics
DRC = Data Repository Center
EHM+ = Engine Health Management Plus
CBM+ = Condition Based Management Plus

1. Upon returning to office from leave 28 July 2010, my co-worker handed me a package (still sealed) containing a very large file on A.A.V. F10-04 EMS at Tinker AFB OK. Front cover letter identified I have 10 working days of receipt of this memorandum. Email from Jim Wallin dated 28 July 2010 to Ms Sharon King-Roberts identified "Is it possible to get this extended beyond 10 days in order for me to review the whole binder and list my comments as requested". Ms See, JoAnn Civ USAF AFMC HQ AFMC/FMPC emailed dated 29 July 2010 identified ten day response has been extended to 13 August 2010.
2. **Background:** National Security System-Engine Health Management Data Repository Center (2004 time frame NSS-EHMDRC) was renamed to Condition-Based Maintenance Data Repository Center (CBMDRC) November 2005. CBM+ DoD requirements documents and AF/A4I initiative to bring National Security System (NSS), Engine Health Management (EHM), Reliability-Centered Maintenance (RCM) under the umbrella of CBM+ . CBMDRC was a program sponsored by USAF (AF/A4I) to deliver a system that will meet the requirements of a Condition-Based Maintenance Data Repository Center. CBMDRC was renamed to EHM+DRC Feb 2006 at the guidance of AF/A4ID and presented to EHM+ Steering Group.
3. Page identified as III Facts and Discussion, EHMDRC Certification Discussion (no page number), requires breakdown by contract number in order to determine what was in support of NSS-EHMDRC, CBMDRC, EHM+DRC, ET&D and EHM+ by requirements and amount; current records do not reflect ADA F10-04 EHM findings. NSS-EHMDRC, CBMDRC, EHM+DRC, ET&D and EHM+ program managers records of events are identified below and as outlined on ADA FY10-04 EMS Page identified as III Facts and Discussion, EHMDRC Certification Discussion (no page number) highlighted in yellow below defined years have been excluded from EHM+ program managers total amount. Contract actions to RJ Lee included EHM+, ET&D and Reliability Centered Maintenance (RCM) Training, ET&D/EHM Technical orders and other requirements outside DRC requirements (contractor had multiple requirements). ADA F10-04 EMS in this area requires corrections. Also reference A.A.V. F10-04 EMS at Tinker AFB OK report, tab 16, identified as Ogg Email, 4 Oct 05,



DEPARTMENT OF THE AIR FORCE
 HEADQUARTERS OKLAHOMA CITY AIR LOGISTICS CENTER (AFMC)
 TINKER AIR FORCE BASE OKLAHOMA

NDAAs Suspension on Prohibition of Obligating FY06 Funds, 2 page, 2nd paragraph from the bottom of page, 3rd sentence (Dollars Can Be spent on sustainment activities).

<u>Year</u>	<u>Contract No.</u>	<u>P.R. Number</u>	<u>Resources</u>	<u>Amount</u>	<u>Contractor</u>	<u>Support Requirement</u>
Aug-07	FA810407C0260	FD20300705418	O&M from Air Staff	\$995,000.00	RJ LEE Group	Air Staff Req
Jan-07	FA810407C0169	FD20300759172	3400	\$2,150,000.00	RJ LEE Group	EHM+DRC
Jan-07	FA810407C0169	FD20300759172	3400	\$2,150,000.00	RJ LEE Group	EHM+DRC
Mar-06	FA810406C0213	FD20300652909	3400	\$2,500,000.00	RJ LEE Group	CBMDRC
Feb-04	FA810404C0133	GFD20300478493	3400	\$4,175,000.00	RJ LEE Group	NSS-EHMDRC
May-05	FA810404C0133	FD20300554817	3400	\$1,325,000.00	RJ LEE Group	NSS-EHMDRC
Aug-06	FA8104-06-C-0213	FD20300652909	3400	\$2,500,000.00	RJ Lee	EHM+DRC and RCM
Aug-06	FA8104-06-C-0213	FD20300660495	4930	\$2,437,154.00	RJ Lee	EHM+DRC and RCM
			Total	\$12,732,154.00	2005 thru 2007	

4. Reference A.A.V. F10-04 EMS at Tinker AFB OK report, attachments 20 thru 23. Reference tab 21, page 1, 2nd paragraph from the bottom, line identified as " Do you want to set up a date when EHMDRC program manager needs to either complete the NDAAs certification package or provide a signed C&A package that certifies the system as NSS? Attached is EHM+ documentation exchange with OC-ALC management and AF/A4IS and A4ID (dated April 2007 and Sept 2007), and EITDR portfolio manger identifying actions to take in support of EHMDRC (Apr 2006). In ADA F10-04 reference attachments 20 thru 23 does not identify HQ level and or Air Staff level and OC-ALC EITDR portfolio managers has made a decision and identified to propulsion management (NSS-EHMDRC, CBMDRC, EHMDRC and EHM+) of guidance rendered to propulsion senior leadership overseeing NSS-EHMDRC, CBMDRC, EHM+DRC and EHM+ to proceed with NSS or NDAAs process? In review of all material in ADA F10-04 no document provides guidance or direction for NSS-EHMDRC, CBMDRC, EHMDRC and EHM+ to proceed with NSS or NDAAs process!

However, NSS-EHMDRC, CBMDRC, EHMDRC and EHM+ program management was processing documents in support EHM+ projects and seeking AF/A4 guidance (attached below dated April 2007 and Sept 2007). Also attached is first level and senior level propulsion management guidance that Jim Wallin is no longer program manager of NSS and EHM projects and the new focal points identified, document is dated April 2008. Outgoing NSS and EHM program manger was actively engaged with C&A, DAA and other activities in support of NSS & EHM programs until April 2008. ADA F10-04 EHM document should be revisited and updated to reflect NSS/EHM+ program manager was seeking guidance and assistance on DRC classification. Tab's 1, 2,3,4,5,6,7,8,9 and 10

5. F10-04 EHMS Summer Martinez Witness Testimony, 2nd page. (PH) what about in 2004 when EHMDRC was first established? (SM) That would have been Jim Wallin. He would have been the program manager at that time. As identified in Jim Wallin interview, program manager was in OC-ALC/LR organization (see attached below correspondence on OC-ALC/LR program manger working ETIDR tasking and status for EHMDRC). Also attached



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is document identifying communication between OC-ALC EITDR portfolio manager and Jim Wallin on DRC EITDR concerns dated Jan 2006 and guidance presented from EITDR manager to EHM+ program manager that NSS is IT for EITDR input. Also, a correction to ADA F10-04 EHMS on statement of Mr. Jim Wallin was program manager when NSS-EHMDRC was being planned in the beginning and 2004 as documented in ADA report. ADA Report F10-04 EHM needs to be corrected to reflect accurate information (attached is information from EITDR office to OC-ALC/LR office on EITDR input). Also attached below is June 2007 indentifying recertification required and final NDAA playbook, in this attachment there is no guidance or documenting of EHM+ requirements. Tab's 11, 12 and 13

6. **Reference paragraph 2 above background information:** Propulsion (engines) could not utilize CBMDRC as an engine only program; CBM+ was for the whole USAF. Under CBM+ for the USAF, AF/A4I started Life Cycle System Engineering for Sustainment (LCSE-S) and under LCSE-S; AF/A4I sponsored and supported EMLI.
7. Reference F10-04 EHM section V. Conclusion section. EHMDRC and EMLI assumptions presented. EMLI was supported and sponsored (resources provided) by AF/A4ID (attached briefings and emails). EMLI was being planned into EHMDRC planning packages and submitted to AF/AFID for classification and a DAA (reference attachment identified as EHM+DRC CA package). Have concerns over F10-04 EHM section V. Conclusion section identifying Mr. Wallin did not communicate and did not include EMLI in NDAA documents. Tab's 14, 15 and 16
 - a) Wheels were in motion at AFRL and AF/A4I in support of EMLI. In attachment identified as DARPA WAR and FW Tidbits is DARPA Engine System Prognosis (ESP) manages engine life efficiently (EMLI). Also attached is vendor pitch to AFRL and AF/A4I on EMLI. Tabs 17, 18 and 19
 - b) AF/A4ID LCSE-S briefing (LCSE-S is under CBM+ DoD policy) advocating and supporting EMLI and charts identified as High-Value Targets (HVTs) has EMLI (Feb 07 time line). Out brief went to AF/A4I. Tab 20
 - c) CBM+ (Remember we are still under LCSE-S events) pathfinder and High value Target EMLI (AF/A4I) June 07. Tab 21
 - d) AF/A4ID LCSE-S briefing advocating and supporting EMLI requesting \$6.3 mil time line is July 07. (briefing to AF/A4I). Tab 22
 - e) CBM+ Research Environment (CBM+ RE) and EMLI kick Off meeting Nov 2007 (meeting minutes), with CBM+ Overview/Objectives – AF/A4ID Perspective and



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action items to AF/A4ID for assistance on EHM+DRC. Also attached is CBM+ CONOPS for AF/A4I developed by AFRL identifying EMLI and EHMDRC requirements. Tab 23, 24 and 25

- f) AF/A4I requesting feedback on buy down information of EMLI. Tab's 26, 27 and 28

Conclusion: NSS-EHMDRC, CBMDRC, EHM+DRC and EHM+ resources identified in ADA F10-04 EHM report needs to be revisited. NSS-EHMDRC, CBMDRC, EHM+DRC and EHM+ contract vehicle had multiple requirements supporting other requirements such as ET&D, EHM and NSS. ADA FY10-04 EHM report has to be updated to reflect DRC requirements only and not the other support requirements.

It is also identified that NSS-EHMDRC program manager establishing & inputting EITDR requirements in 2004 was out of OC-ALC/LR office as outlined in this reply, corrections should be made to ADA F10-04 EHM report in this area also.

It is also documented in this reply that EHMDRC could spend resources in sustainment while NDAA certification packages were under review; no guidance was provided to program office rejecting or accepting NDAA EHMDRC NSS review. The burden was on HQ AFMC and AF to provide guidance back to propulsion senior leadership and program office of their findings and recommendations. ADA F10-04 EHM report should be updated to reflect breakdown in the process, communication, DRC could spend sustainment resources, and AF/A4I organization supported and sponsored DRC & EMLI requirements and not singling out working level program manager.

As documented thru out this response and in ADA F10-04 EHM report interviews it is apparent ETIDR process, guidance and feedback was vague with no documented feedback to DRC propulsion senior leadership or program office providing specific guidance and/or recommendations, attached documents to this response also defines DRC was left completely out of the ETIDR tasking requirements. It is also well documented in this reply that AF/A4ID was very much aware of NSS-EHMDRC, CBMDRC, EHM+DRC, EMLI and EHM+ with program office requesting assistance to AF/A4ID in planning issues. It is also well documented in this response that AF/A4I organization provided resources and oversight for implementation strategy for DRC and EMLI and is in direct disagreement that program office manager was not in communication with leadership as identified in ADA draft report ADA F10-04 EHM findings and ADA F10-04 EHM report corrections are required.

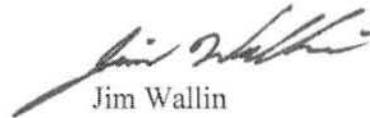
As documented in ADA EHMS Jim Wallin Interview, several senior level managers were identified as involved with NSS-EHMDRC, CBMDRC, EHM+DRC, ET&D and EHM+ programs and should be interviewed. ADA F10-04 EHM exhibits no documentation senior leadership that was directly involved with DRC and EHM+ programs was contacted or



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interviewed. ADA report exhibits working level manager as exclusive planning of DRC and EHM+ activities. Actions are required to obtain information from senior leadership involved with DRC and EHM+ activities concerning this investigation.

Efforts should be made by ADA office to correct and update draft ADA F10-04 EHM report as outlined in this reply.



Jim Wallin

Atch's

Tab's 1 thru 28

Tab1 EHM+DRC Accreditation Package



RE EHM+DRC
Accreditation Package

Tab 2 EITDR – Task 21 NDAA Tier 4



EITDR - Tasking 21
NDAA Tier 4.htm

Tab 3 EHM+DRC Package at AF/A4ID



FW EHM+DRC CA
Package at Air Staff.t

Tab 4 EHM+ Program Management workload assignments



639 ACSGPE
Program Manager Wc

Tab 5 AF/ILMM EHMDRC



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Original
Message.docx

Tab 6 EHM+ Meeting Minutes with AF/A4I


12305-MINS-018
Rev A.docx

Tab 7 CBM+RE & EMLI Requirement to AF/A4ID


AI-17 CBM+ RE &
EMLI.docx

Tab 8 EITDR Engine Data CBM (Dunn)


FW Engine data CBM
(Reply by 30 Jan).htm

Tab 9 Reclama Def. Business Sys. Certification req.


RE Reclama Defense
Business System Cert

Tab 10 CEMS, RCM, GCSS, EHM+DRC Issues


Telecon 19Apr07-
CEMS RCM GCSS and

Tab 11 Registration of EHM+DRC


Registration of
EHMDRC.htm

Tab 12 EITDR Feedback


RE Feedback on
Selected CIR.htm

Tab 13 SCS (Re-Cert.)



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FW SCS (re-cert)
PAFM (annual) and SI

Tab 14 LSSE-S AF/A4ID



LCSE-S__Project_Tim
eline_Maj_Mikus_Fina

Tab 15 LSSE-S AF/A4ID Project Plan



Videocon slides and
actions.msg

Tab 16 EHM+DRC Pkg to AF/A4ID



EHM+DRC CA
Package.msg

Tab 17 AF/A4ID DARPA WAR EMLI



FW TidBits.htm

Tab 18 DARPA EMLI



DARPA WAR 9 1
06.docx

Tab 19 EMLI planning to AF/ASID and AFRL



EMLI.docx

Tab 20 AF/A4ID EMLI/CBM+



FW LCSE
Outbrief.msg



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Tab 21 AF/A4ID Pathfinder (EMLI/CBM+)



RE Pathfinder CBM+
Recommendation.txt

Tab 22 AF/A4ID LCSE-S



LCSE-S_Project_Tim
eline_Maj_Mikus_Fina

Tab 23 EHM+, CBM+RE, EMLI AF/A4ID



12305-MINS-018
Rev A.docx

Tab 24 AF/A4ID EMLI & CBM+RE Request for information



AI-17 CBM+ RE &
EMLI.docx

Tab 25 CBM+ CONOPS



USAF CBM+
CONOPS_vers1-0_30

Tab 26 EMLI Transition Plan AF/A4ID



RE COORD Engine
System Prognosis - Tr

Tab 27 EMLI PH1 CBM+RE AF/A4ID



RE EMLI PH 1a and
CBM+ RE contracts.n

Tab 28 EHM Mission Assignment



Original
Messag1.docx

**STATEMENT
OF
DISCIPLINING OFFICIAL(S)**



DEPARTMENT OF THE AIR FORCE
76TH MAINTENANCE WING (AFMC)
TINKER AIR FORCE BASE OKLAHOMA

13 June 2012

MEMORANDUM FOR MR. JIMMIE WALLIN

FROM: OC-ALC/EN
3001 Staff Dr. Post 2AF69A
Tinker AFB, OK 74145

SUBJECT: Notification to Responsible Party, Antideficiency Act Draft Report of Violation, Case Number F10-04

1. This is to inform you that an Antideficiency Act Draft Report of Violation has been completed, and a violation of 31 U.S.C. 1517(a)(2) occurred. The Draft Report of Violation identified you as the person responsible for the violation.
2. Although you did not knowingly or willingly commit the violation, as a Program Manager for the Engine Management Logistics Infrastructure (EMLI) and the Engine Health Management Data Repository Center (EHMDRC), you should have known that Operations and Maintenance (O&M), Working Capital (4930), and Other Procurement (3080) funds were in appropriate for use in the development of these systems. You also should have recognized the requirement to acquire the Defense Business System Management Committee (DMSMC) certification as required for these systems.
3. As a result of this violation, you have received a Written Reprimand, which is considered appropriate, given the circumstances.
4. I understand that
 - a. An ADA violation is a violation of Federal Statute;
 - b. An ADA violation is a misuse of DoD funds, even though the misuse may not have been willful or knowing and/or harmful to the Air Force;
 - c. The DoD is required to report the violation to the President, through OMB, and to the Congress;
 - d. Even though a violation may not have been willful or knowing, that, by itself, does not justify the absence of disciplinary actions; and
 - e. Disciplinary action commensurate with the severity of the violation should be taken against the individual(s) named responsible for a violation – including individuals that may have retired or are no longer working for the DoD.

I ACKNOWLEDGE RECEIPT OF THE ABOVE LETTER AND ONE COPY.	
SIGNED:	<i>Jimmie Wallin</i>
DATE:	14 June 2012
TIME:	11:40


COL JOSEPH STUPIC
Deputy Director, Engineering and Technical Management Directorate



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13 Jun 2012

MEMORANDUM FOR OC-ALC/ENS

ATTN: JIMMIE R. WALLIN, Jr.
LEAD LOGISTICS MANAGEMENT SPECIALIST
GS-0346-13

FROM: OC-ALC/ENS

SUBJECT: Notice of Decision to Reprimand

1. By letter, dated 21 May 2012, you were informed of a proposed action to reprimand you for your inappropriate conduct. The proposed notice was in accordance with the General Character and Intent of Air Force Instruction 36-704, Attachment 3, Cause of Action 18.
2. You were allowed twenty (20) calendar days to reply orally, in writing, or both to the notice you received on 21 May 2012. No replies, oral or written, were received from you or anyone acting on your behalf. After expiration of the time allowed for you to reply, I have determined that the reasons stated in the Notice of Proposed Reprimand are fully supported by the evidence and warrant disciplinary action. Therefore, this reprimand represents final action and will be effective 13 Jun 12. A copy will be filed in your Official Personnel Folder where it will remain until 13 Jun 13, at which time it will be removed and destroyed.
3. You are cautioned that any future offenses or violations of rules for which disciplinary action would be appropriate could result in a more severe penalty, including your removal.
4. If you consider this action improper, you have the right to grieve under the Negotiated Grievance Procedure (NGP) contained in Article 6, Section 6.08, of the 2012 AFMC/AFGE Master Labor Agreement (MLA), within 20 calendar days of receipt of this decision. The written grievance must be submitted on the Standard Grievance Form, AFMC form 913, at Step 1 to the first level supervisor. If you desire representation for a grievance, it will be in accordance with Article 4 of the MLA. Your representative may accompany you during any discussion or presentation of your grievance under the NGP. Both you and your representative, if otherwise in an active duty status, will be allowed official time to prepare and present a formal grievance. For you, Section 4.09 of the MLA mandates 1 hour to prepare a Step 1 grievance. Your representative will be allowed a reasonable amount of time. In this case, it has been determined that two hours of official time is reasonable. You should contact the undersigned to make arrangements for use of the official

time you are allowed. Your representative should contact his/her supervisor for the same purpose.

5. If you wish to read the regulations pertinent to the action or obtain further information about how to make a reply, you may contact the Civilian Personnel Office, Building 3001, 739-7516.



KRISTIAN OLIVERO, Chief
Systems Engineering Division

I ACKNOWLEDGE RECEIPT OF THE ABOVE LETTER AND ONE COPY.
SIGNED: <i>[Signature]</i>
DATE: 14 June 2012
TIME: 11:40