



Highlights of [GAO-08-1063](#), a report to congressional committees

## Why GAO Did This Study

Senate Report No. 110-77 directed GAO to review the Department of Defense's (DOD) procedures for Antideficiency Act (ADA) violations. GAO focused on whether (1) existing DOD funds control systems, processes, and internal controls provide reasonable assurance that ADA violations will be prevented or detected and whether key funds control personnel are trained; (2) investigations of ADA violations are processed in accordance with applicable DOD regulations; and (3) DOD tracks and reports metrics pertaining to its ADA investigations and what disciplinary actions are taken when ADA violations have occurred. GAO's review included all 54 ADA military service case files closed in fiscal years 2006 and 2007. GAO did not assess the appropriateness of the conclusions reached or of the disciplinary actions taken for the ADA cases.

## What GAO Recommends

GAO makes six recommendations related to ensuring that key funds control personnel are trained and to improving compliance with the DOD regulations pertaining to ADA investigations. DOD concurred with the recommendations and identified specific actions that it has taken to implement them.

To view the full product, including the scope and methodology, click on [GAO-08-1063](#). For more information, contact Paula M. Rascona at (202) 512-9095 or [rasconap@gao.gov](mailto:rasconap@gao.gov).

## DOD FINANCIAL MANAGEMENT

### Improvements Are Needed in Antideficiency Act Controls and Investigations

#### What GAO Found

DOD's complex and inefficient payment processes, nonintegrated business systems, and weak internal controls impair its ability to maintain proper funds control, leaving the department at risk of overobligating or overspending its appropriations in violation of the ADA. DOD Comptroller and military service financial management and comptroller officials responsible for the department's ADA programs have stated that because of weaknesses in DOD's business operations, knowledgeable personnel are critical to improving the department's funds control, and these officials have or are developing training courses. However, only the Army has attempted to identify and determine whether key funds control personnel have received appropriate training to provide them with the knowledge and skills to fulfill their responsibilities, including the ADA, required by DOD regulations.

GAO's analysis of the 54 ADA cases and other documentation provided by the military services disclosed that the military services did not fully comply with DOD regulations intended to ensure that ADA reviews and investigations were conducted by qualified and independent personnel and were completed in a timely manner. More specifically, GAO found the following:

- Only 6 of the 66 investigating officers assigned to the 54 ADA cases reviewed had received all of the required training.
- Nineteen of the 54 ADA cases lacked documentation needed to determine whether the investigating officer was organizationally independent. Further, because the military services focused on organizational independence, they could not be assured that investigating officers were free of personal or external impairments to independence.
- ADA investigations were generally not completed within the 15 months and 25 days set forth by DOD. Of the 54 ADA cases reviewed, 22 cases took over 30 months to complete and only 16 were completed on time.

GAO also noted that DOD, as required, reported the 34 cases in which it had concluded that an ADA violation had occurred to the President and the Congress, with a copy to GAO. For the remaining 20 cases, DOD concluded that an ADA violation had not occurred and therefore external reporting was not required. Further, DOD has taken steps to improve transparency over the ADA investigation process by requiring DOD components to report status information when an ADA investigation is initiated. Additionally, for the 34 ADA cases in which DOD concluded that an ADA violation had occurred, the nature of the disciplinary actions taken and reported to the President and the Congress was consistent with the criteria set forth in the DOD regulations. The ADA requires that employees who are responsible for ADA violations be subject to appropriate administrative discipline. The DOD regulations specify that administrative discipline can range from no action to the termination of the individual's employment.