



GSA Administrator

September 28, 2012

The Honorable Eugene Louis Dodaro  
Comptroller General of the  
United States  
General Accounting Office  
Washington, DC 20504

Dear Mr. Dodaro:

This letter is to report a violation of the Antideficiency Act, section 1341 of Title 31, United States Code, as required by section 1351 of Title 31, United States Code. This was a violation involving an unlimited liability provision of a contract, under which no funds were expended.

The violation occurred in the General Services Administration's (GSA's) Federal Buildings Fund, a revolving fund with Treasury symbol 47X 4542. The violation concerned a contractual provision that obligated the Government to unlimited liability, which is a violation of the Antideficiency Act. The provision was in a contract GSA entered on May 8, 2009 with a hotel to provide conference space and accommodations for a conference that was held in October, 2010. Although the provision is standard in hotel contracts, it is not a standard government contracting clause and it is the responsibility of the contracting officer to remove the clause before signing the contract. GSA paid the invoice from the hotel upon conclusion of the conference. The conference at issue was the subject of a GSA Office of Inspector General Report that found excessive and wasteful expenditures and failures to follow federal procurement law and GSA policy.

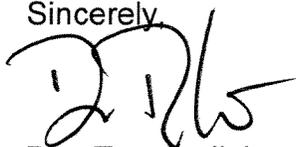
The employee responsible for the violation was removed from Federal service on June 1, 2012. The agency has determined that the violation contained no willful or knowing intent on the part of the responsible employee to violate the Antideficiency Act.

In addition to the disciplinary action, GSA has issued an instructional letter requiring that all conferences and award ceremonies be reviewed and approved by the Office of Administrative Services. The Office of Administrative Services was also made responsible for procurement actions for internal conferences. The requirement for high level review and centralization of procurement authority for conferences will be a control on future procurements of the type that led to this violation.

**U.S. General Services Administration**  
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[www.gsa.gov](http://www.gsa.gov)

Identical reports will be submitted to the presiding officer of the Speaker of the House of Representatives as well as the President of the Senate.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Tangherlini', written in a cursive style.

Dan Tangherlini  
Acting Administrator