



UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

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

JAN 04 2017

Dear Mr. Dodaro:

This letter reports multiple violations of the Antideficiency Act (ADA), Army case number 16-05 (enclosed), as required by 31 U.S.C. § 1351. The violations involved fiscal year (FY) 2007 Operation and Maintenance, Army (OMA) funds. The violations totaled approximately \$1.0 million and occurred at the U.S. Army Headquarters, G-3/5/7 and the Assistant Secretary of the Army – Manpower & Reserve Affairs. In this case, the Army obligated OMA funds to develop the Mobilization Common Operating Picture (MOBCOP) suite of applications. However, this effort requires Research, Development, Test and Evaluation (RDTE) funding. The necessary funds to correct the violation have canceled. Consequently, the Army incurred an uncorrectable violation of 31 U.S.C. § 1341(a)(1)(A) and 31 U.S.C. § 1301(a).

Army personnel obligated approximately \$1.0 million in OMA funds to develop the MOBCOP suite of applications. The MOBCOP is a suite of applications maintained by the Army G-3/5/7 that centralizes mobilization and deployment data. In addition, the development of MOBCOP involved connecting the underlying back-end architecture of its component applications into a single, integrated database. Army personnel mistakenly believed that MOBCOP was essentially an upgrade to the existing Department of the Army Mobilization Processing System. The exact dollar amount spent on the MOBCOP is not known; however, specific invoice transactions indicate that at least \$997,202.06 in OMA funds were obligated for MOBCOP development in support of an effort requiring RDTE.

The Budget Analyst, Office of the Deputy Chief of Staff, G-3/5/7 and the Financial Management Analyst/Supervisor, Office of the Deputy Chief of Staff, G-1 were found responsible for the 31 U.S.C. § 1341(a)(1)(A) and 31 U.S.C. § 1301(a) violations. The Financial Management Analyst/Supervisor is no longer employed by the United States Government and discipline was not pursued. The Budget Analyst received an oral reprimand from her current supervisor. The violations contained no willful or knowing intent on the part of the responsible individuals to violate the ADA.

To prevent a recurrence of these types of violations, the U.S. Army G-3/5/7 has modified the program management review process for all requirements, and is separately identifying sustainment activities and those involving system development, enhancements and modernization requiring RDTE funds. The contracting officer representatives are required to provide cost breakout by contract line item numbers, funding type, and where deemed necessary, obtain a legal review to confirm the type of appropriation being used.

Identical reports are also being submitted to the President (through the Director of the Office of Management and Budget), President of the Senate, and Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink that reads "Michael McCord". The signature is written in a cursive style with a large, prominent "M" and "C".

Michael McCord

Enclosure:
As stated