



441 G St. N.W.
Washington, DC 20548

B-337853

April 30, 2026

The Honorable JD Vance
President of the Senate

The Honorable Mike Johnson
Speaker of the House of Representatives

Subject: *Fiscal Year 2025 Antideficiency Act Reports Compilation*

The Antideficiency Act prohibits an officer or employee of the federal government from obligating or expending federal funds in advance or in excess of an appropriation or an apportionment and from accepting voluntary services. 31 U.S.C. §§ 1341, 1342, 1517. Agencies that violate the Antideficiency Act must report the violation to the President and Congress and transmit a copy of the report to the Comptroller General at the same time. *Id.* §§ 1351, 1517(b). The report must contain all relevant facts and a statement of actions taken. *Id.*

Since fiscal year (FY) 2005, GAO, in its role as repository for the Antideficiency Act reports that agencies submit, has produced and publicly released an annual compilation of summaries of the reports. We base the summaries on unaudited information we extract from the agency reports. Each summary includes a brief description of the violation, as reported by the agency, and of remedial actions agencies report that they have taken. We also include copies of the agencies' transmittal letters. We post the summaries and the agency transmittal letters on our public website. In some cases, the agencies also send us additional materials with their transmittal letters. We make these additional materials available to Members and their staffs upon request.

Please find enclosed the compilation of summaries of the nine Antideficiency Act violation reports and agency transmittal letters submitted to GAO in FY 2025. The United States Department of Agriculture submitted two reports. The United States Department of Labor, Board of Veterans Appeals, National Science Foundation, Army National Guard, Farm Service Agency, Export-Import Bank of the United States, and Defense Acquisition University each submitted one report.

While GAO has not opined on the agency reports or the remedial actions taken, we do note that some of the reported violations resulted from similar agency actions. For example, three of the reported violations resulted from government officials or

employees obligating or expending funds in violation of statutory restrictions, and three violations resulted from government officials or employees obligating or expending funds in excess of available funds.

If you have any questions, please contact Shirley A. Jones, Managing Associate General Counsel, at (202) 512-8156, or Kristine Hassinger, Assistant General Counsel for Appropriations Law, at (202) 512-8152.

A handwritten signature in cursive script that reads "Edda Emmanuelle Perez".

Edda Emmanuelli Perez
General Counsel

Enclosure

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-01

Agency No.: None reported	Date Reported to GAO: October 7, 2024
Agency: Department of Labor	Date(s) of Violation(s): September 25, 2017
Account(s): Departmental Management	Amount Reported: \$498,095.00

Description: The Department of Labor reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations and made expenditures without providing advance congressional notification in violation of a statutory prohibition.¹

According to the Department, funds made available in the Department of Labor Appropriations Act, 2017, were subject to a general provision that prohibited the Department from reprogramming funds in an amount that would augment existing programs, projects, or activities by \$500,000 or 10 percent, whichever is less, unless the agency notified the Senate and House Appropriations Committees in advance of the reprogramming. In fiscal year (FY) 2017, the Department reprogrammed \$498,095 to the Women in Apprenticeship and Nontraditional Occupations (WANTO) Technical Assistance Grant program—in excess of the 10 percent reprogramming threshold—without notifying in advance the Appropriations Committees, violating the reprogramming notification provision and the ADA.

¹ Pub. L. No. 115-31, div. H, title V, § 514(b), 131 Stat.135, 564 (May 5, 2017) (“None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 2017, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that—(1) augments existing programs, projects (including construction projects), or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Committees on Appropriations of the House of Representatives and the Senate are consulted 15 days in advance of such reprogramming or of an announcement of intent relating to such reprogramming, whichever occurs earlier, and are notified in writing 10 days in advance of such reprogramming.”).

Remedial Action Taken: To prevent a recurrence of this type of violation, the Department reported that it reviewed its internal policies on reprogrammings and transfers and distributed guidance to all administrative officers and budget staff clarifying those policies. In addition, the Department ensured in FYs 2018 and 2019 that it sent notifications of reprogrammings to the WANTO grant program to the Appropriations Committees.

According to the Department, it did not impose administrative discipline or take further action because the Department did not identify an individual responsible for the violation. The Department determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-02

Agency No.: None Reported	Date Reported to GAO: November 27, 2024
Agency: Board of Veterans Appeals (BVA)	Date(s) of Violation(s): March 2023–June 2024
Account(s): Board of Veterans Appeals	Amount Reported: \$372,876.00

Description: BVA, through the Department of Veterans Affairs (VA), reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations in excess of available appropriations.

According to VA, in fiscal years (FYs) 2023 and 2024, BVA was subject to four separate orders in employee personnel actions that required the payment of backpay, two ordered by the Merit Systems Protection Board, one by the Equal Employment Opportunity Commission, and the fourth as part of a VA-wide settlement agreement. Between March 2023 and June 2024, the Defense Finance and Accounting Service (DFAS) paid \$372,876 in backpay from BVA’s FY 2020 appropriation on behalf of VA in satisfaction of three of the four orders; however, those payments were processed prior to an internal control by VA to verify funds availability. These three payments led to an over-obligation of \$372,876 against the account.

Remedial Action Taken: To prevent a recurrence of this type of violation, VA reported that the VA Office of General Counsel (OGC) and BVA’s budget officials established additional shared reporting and stronger communication channels regarding future settlement agreements and other legal payments. BVA also adjusted its budgeting procedures to reserve \$1 million at the conclusion of every fiscal year for potential future backpay agreements. Further, for any future administrative settlements or legal orders involving backpay, BVA will estimate the amount of backpay, including interest, applicable to each prior fiscal year and verify the availability of funds well in advance of having DFAS process the payments. BVA’s budget office will also maintain a list of pending personnel litigation potentially affecting prior-year funding on its monthly Budget Operating Plan, which will be visible to budget officials even if there is staff turnover. If there is the potential for insufficient funds, BVA will identify other funding sources and take necessary steps to ensure that adequate funding is available to cover the expenses within each applicable fiscal year account prior to DFAS’s processing. Additionally, OGC committed to reminding its attorneys and educating settlement officials that, when they sign agreements, they become responsible for implementing the settlement agreement terms (including backpay) and ensuring they have an

understanding of where and how the funds will be paid, as well as how other terms of a settlement agreement will be implemented.

According to VA, the employee responsible for the violation was BVA's former Budget Chief, who is no longer with VA. The Department determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-03

Agency No.: None Reported	Date Reported to GAO: November 29, 2024
Agency: National Science Foundation (NSF)	Date(s) of Violation(s): Fiscal Years (FYs) 2020–2022
Account(s): Agency Operations and Award Management	Amount Reported: \$38,666.73

Description: NSF reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations and made expenditures without providing advance congressional notification in violation of a statutory prohibition.²

According to NSF, in FYs 2020, 2021, and 2022, a statutory provision required it to notify Congress in advance of obligating or expending amounts in excess of \$5,000 to furnish the office of the NSF Director. NSF reported that, on several occasions during these fiscal years, staff obligated and expended funds for necessary upgrades and equipment to enable remote telecommunications and address other pandemic-related needs for the office assigned to the NSF Director. The upgrades and equipment cost \$38,666.73, exceeding the \$5,000 statutory threshold requiring advance congressional notification. NSF failed to notify Congress, violating the advance notification provision and the ADA.

Remedial Action Taken: To prevent a recurrence of this type of violation, NSF reported that it developed a detailed standard operating procedure (SOP) for reviewing, approving, and tracking obligations and expenditures for NSF appointee office improvements. The SOP documents the steps that must be taken by NSF offices before obligating funds for this purpose. It defines what purchases are considered

² *E.g.*, Financial Services and General Government Appropriations Act, 2022, Pub. L. No. 117-103, div. E, title VII, § 710, 136 Stat. 49, 295 (Mar. 15, 2022) (“During the period in which the head of any department or agency, or any other officer or civilian employee of the Federal Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of \$5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is transmitted to the Committees on Appropriations of the House of Representatives and the Senate.”). A similar provision was enacted in the FYs 2020 and 2021 Financial Services and General Government Appropriations Acts.

office improvements for purposes of the statutory prohibition. The SOP also establishes a procedure for notifying Congress and other affected NSF offices on appointee office expenditures. This revised guidance ensures that such costs are properly accounted for and notification properly provided before obligation.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-04

Agency No.: Army Case No. 23-01 **Date Reported to GAO:** January 15, 2025

Agency: Army National Guard (ARNG) **Date(s) of Violation(s):** Fiscal Years (FYs) 2021–2022

Account(s): National Guard Personnel, Army (NGPA) **Amount Reported:** \$102,000,000.00

Description: ARNG, through the Department of Defense (DOD), reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations in excess of the amounts appropriated for bonus and retention incentive payments.

According to DOD, ARNG manages bonus and retention allotments through a Centrally Managed Account. ARNG units in the States, Territories, and D.C. were authorized to obligate NGPA funds for these purposes. DOD reported that accurate accountability of these transactions for FYs 2021 and 2022 normally relied upon a technology system that monitored them; however, the system malfunctioned and went offline for a substantial period during these fiscal years. Without adequate oversight through this system, the States, Territories, and D.C. over-obligated bonus and retention funds, causing the \$8.66 billion appropriation for FY 2021 to be over-obligated by \$60.0 million and the \$9.02 billion appropriation for FY 2022 to be over-obligated by \$42.0 million.

Remedial Action Taken: To prevent a recurrence of this type of violation, DOD reported that ARNG now leverages the GovCloud, with all production-environment data backed up at an alternate location to ensure system continuity of operations and to significantly reduce the potential for a protracted system outage. In addition, ARNG made policy modifications that significantly limited the eligible population for receipt of bonus payments. ARNG also restricted the ability of the States, Territories, and D.C. to create bonuses outside of the Guard Incentives Management System. Finally, ARNG established a formal governance framework chaired by the Deputy Director, ARNG, that reviews commitments and execution monthly.

According to DOD, the official responsible for the ADA violation was the former Assistant Director, ARNG Personnel and Talent Management; the official was verbally counseled by the Director, ARNG. ARNG determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-05

Agency No.: None Reported **Date Reported to GAO:** January 16, 2025

Agency: Farm Service Agency (FSA) **Date(s) of Violation(s):** December 22, 2018–January 25, 2019

Account(s): Salaries and Expenses **Amount Reported:** \$53,040,426.00

Description: GAO, following a congressional request, determined that FSA violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations to perform various activities and recalled employees in county offices back to work during a lapse in appropriations.³ GAO concluded that, in doing so, USDA improperly relied on the exception to the ADA for emergencies involving protection of property. GAO determined that FSA lacked budget authority for the activities and no exception to the ADA applied. GAO also concluded that FSA did not have appropriations available for the purpose of operating its county offices during the lapse. According to the U.S. Department of Agriculture (USDA), which reported FSA’s violation of the ADA following GAO’s decision, FSA was directed by the former Under Secretary for Farm Production and Conservation to implement the return of FSA county office employees to operating status after an initial furlough period due to a lapse in appropriations.

Remedial Action Taken: To prevent a recurrence of this type of violation, USDA reported that FSA updated its fiscal year (FY) 2022 Government Shutdown plan to ensure compliance with legal requirements in the event of a shutdown as discussed in B-331092.

Source: Unaudited information GAO extracted from agency ADA reports.

³ B-331092, June 29, 2020.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-06

Agency No.: None Reported **Date Reported to GAO:** January 17, 2025

Agency: United States Department of Agriculture (USDA) **Date(s) of Violation(s):** Fiscal Years (FYs) 2018–2024

Account(s): Office of the Chief Information Officer; Office of the Secretary; Agricultural Buildings and Facilities and Rent Payments; Office of the Chief Economist; Office of the Under Secretary for Research, Education and Economics; Office of the Under Secretary for Marketing and Regulatory Program; Office of the Under Secretary for Farm and Foreign Agriculture; Office of the Under Secretary for Rural Development; Office of Ethics; Office of the General Counsel; Office of Civil Rights; Office of Budget and Program Analysis; Office of Safety, Security, and Protection; Office of the Chief Financial Officer

Description: USDA reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1517(a)(1), when it incurred obligations and made expenditures of budgetary authority for estimated receipts and anticipated reimbursable amounts in several accounts for which USDA failed to request annual apportionment.

According to USDA, its budget authority from receipts and anticipated reimbursable amounts are appropriations that require apportionment, and USDA should have requested apportionments from the Office of Management and Budget (OMB) pursuant to 31 U.S.C. § 1512(a) prior to obligation and expenditure of those amounts. The annual apportionment submissions prepared and submitted by USDA’s Office of the Chief Financial Officer (OCFO) also omitted an apportionment footnote that had historically allowed for upward apportionment adjustments without further action from OMB. Excluding the estimated amounts and footnotes meant that reimbursable receipts were not apportioned for FYs 2018 through 2023. In the absence of an OMB-approved apportionment, USDA’s obligations and expenditures against these receipts and reimbursable amounts exceeded its apportioned amounts and, thereby,

violated the ADA. When the exclusions were discovered in FY 2024, USDA submitted apportionment requests to OMB for the remainder of FY 2024 and, separately, for authority to liquidate pending obligations already incurred during FYs 2018 through 2024.

Remedial Action Taken: To prevent a recurrence of this type of violation, USDA reported that OCFO implemented a strategic plan that included evaluating current operations, providing mandatory trainings on OMB Circular A-11 requirements, and developing standard operating procedures to help drive continuous improvement and full compliance with the law. In addition, USDA determined that its previous system of administrative control of funds required improvement and enforcement. In FY 2025, USDA planned to reestablish a system of administrative control of funds pursuant to 31 U.S.C. § 1514, to be approved by OMB and published on USDA's website as required by section 150 of OMB Circular A-11 to ensure appropriate controls are in place to prevent future violations.

USDA determined that the former OCFO Budget Director and former Associate Chief Financial Officer of Financial Policy and Planning were responsible for the violations. The officials are no longer with USDA, and, according to USDA, no disciplinary action was warranted. USDA determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-07

Agency No.: None Reported	Date Reported to GAO: January 17, 2025
Agency: United States Department of Agriculture (USDA)	Date(s) of Violation(s): September 29, 2021
Account(s): Conservation Operations	Amount Reported: \$2,556,031.00

Description: USDA reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it incurred obligations without obtaining prior written approval in violation of a statutory requirement.⁴

According to USDA, a statutory provision required it to obtain the written approval of the USDA Chief Information Officer (CIO) prior to making certain obligations over \$25,000 for information technology (IT) projects. USDA’s Farm Production and Conservation Business Center (FPAC-BC) obligated more than \$25,000 on a contract for vehicle telematics software and hardware devices to be installed in USDA Natural Resources Conservation Service fleet vehicles. These devices are classified as IT, and FPAC-BC failed to comply with the required approval process, thereby violating the statutory provision and the ADA.

Remedial Action Taken: To prevent a recurrence of this type of violation, USDA reported that FPAC-BC identified several areas of failure and took corrective action through employee training. In addition, FPAC-BC enhanced the IT acquisition process by educating various stakeholders within the FPAC mission area on the IT acquisitions process, which has facilitated the accurate identification of IT requirements, ensuring they adhere to the robust IT governance process. USDA reported that, at the end of 2023, when the issue was identified, the IT portion of the request was removed from the non-IT initiatives process and incorporated into the IT initiative process, which utilizes both the Investment Review Board process for agency approval and the Acquisition Approval Request process for CIO approval. This process ensures that USDA stays in compliance with the Federal IT Acquisition Reform Act and appropriations law related to IT spending. A process has also been established to review new non-IT initiative requests with FPAC-BC, Information Solutions Division to ensure there are no IT items

⁴ Pub. L. No. 116-260, div. A, title VII, § 706, 134 Stat. 1183, 1217 (Dec. 27, 2020) (“[N]one of the funds available to the Department of Agriculture for information technology shall be obligated for projects, contracts, or other agreements over \$25,000 prior to receipt of written approval by the Chief Information Officer.”).

requested through the non-IT process. Furthermore, USDA reported that it will establish a system of administrative control of funds to be approved by OMB and published on the USDA website, as required by section 150 of Circular A-11.

USDA determined that the awarding contract officer in FPAC-BC was responsible for the violation. The official is no longer with USDA. USDA determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-08

Agency No.: None Reported

Date Reported to GAO: January 22, 2025

Agency: Export-Import Bank of the United States (EXIM) **Date(s) of Violation(s):** September 26, 2019

Account(s): Direct Loan Financing

Amount Reported: \$4.884 billion

Description: EXIM reported that it violated the Antideficiency Act (ADA), 31 U.S.C. § 1517(a)(1), when it obligated funds in excess of apportioned amounts.

According to EXIM, EXIM's Board of Directors approved a \$5 billion direct loan for a liquid natural gas (LNG) facility in Mozambique on September 26, 2019. EXIM had sufficient appropriations to cover the obligation at the time it was recorded; however, EXIM's approved apportionment at the time was insufficient to cover the full amount of the direct loan obligation. EXIM had anticipated seeking an apportionment for and approving this particular transaction in fiscal year (FY) 2020; however, the Board approval date was brought forward to the very end of FY 2019, which resulted in EXIM's not having sufficient funds in the apportionment to cover the transaction in that year. Furthermore, EXIM did not have an approved apportionment authorizing it to obligate funding for the transfer of negative subsidy generated by this transaction to the negative subsidy receipt account. EXIM had historically not requested apportionments for the transfer of negative subsidy to this account but had apportioned the Direct Loan Financing Account since FY 2017.

Remedial Action Taken: To prevent a recurrence of this type of violation, EXIM reported that it took several specific actions: EXIM worked with the Office of Management and Budget (OMB) to appropriately apportion the Direct Loan Financing Account, including negative subsidy. EXIM worked with OMB to update EXIM's Administrative Control of Funds to include additional process steps and details about the apportionment request, which would cover all apportionment requirements for all accounts, including specific details about apportionment requirements for direct loan financing accounts and transfers to the negative subsidy receipt account. EXIM also instituted a quarterly review of all agency apportionments. In addition, EXIM increased internal communications on the apportionment requests to include information about when apportionment requests have been submitted and approved by OMB. Finally, EXIM added a statement on the cover memo to the material submitted to the Chairman and Board of Directors for proposed authorizations confirming that funds were apportioned to cover the transaction under consideration.

EXIM stated that no administrative, disciplinary, or other action was considered necessary or appropriate. EXIM determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

Antideficiency Act Reports – Fiscal Year 2025

GAO No.: GAO-ADA-25-09

Agency No.: Defense Acquisition University Case No. 23-01

Date Reported to GAO: August 25, 2025

Agency: Defense Acquisition University (DAU)

Date(s) of Violation(s): Fiscal Years (FYs) 2019–2022

Account(s): Operation and Maintenance; Defense Acquisition Workforce Development Fund

Amount Reported: \$4,875,205.36

Description: DAU, through the Department of Defense (DOD), reported that DAU violated the Antideficiency Act (ADA), 31 U.S.C. § 1341(a), when it improperly used expired funds to make new obligations and did not have sufficient available funds to adjust its obligations.

DOD reported that DAU entered into a project order agreement with the Department of Justice (DOJ), Federal Bureau of Prisons, UNICOR Federal Prison Industries Interagency Acquisition Services Group (UNICOR/FPI), under which UNICOR/FPI would acquire repair services for DAU buildings. To fund the potential work, DAU transferred current-year funds for non-specific repair services to UNICOR/FPI. With DAU's acquiescence, UNICOR/FPI parked the funds for later use as projects were identified and definitized. After the parked funds expired, they were obligated for new projects. As they could only be used to liquidate obligations properly made during their period of availability, DAU violated the *bona fide* needs rule, 31 U.S.C. § 1502, and the ADA when DAU was unable to correct the improper obligations with correct fiscal year funds.

Remedial Action Taken: To prevent a recurrence of this type of violation, DOD reported that DAU undertook both fiscal and procedural corrective actions. The DAU Performance and Resource Management Directorate (PRM) was reorganized to align the entire Planning, Programming, Budgeting, and Execution process to the DAU Budget and Finance Officer, ensuring that a senior, certified financial manager has visibility and responsibility for all financial transactions. DAU PRM also conducted a root cause analysis to identify the weaknesses contributing to the ADA violations and then designed and implemented an internal control to provide reasonable assurance that unliquidated obligations (ULOs) would be addressed in a timely manner and at the appropriate level of review. The intent was to ensure that all ULOs are routinely

reviewed and addressed in a timely manner and that remaining and excess ULOs are deobligated as soon as possible without putting current year funds at risk.

DAU determined that the Director of DAU PRM/Chief Financial Officer, Director of the DAU Operations Directorate, and two UNICOR/FPI officials were responsible for the ADA violations. The two DAU employees found to be responsible retired and no disciplinary action was taken against them by DAU. DAU stated that DOJ declined to provide information regarding any disciplinary actions taken against the UNICOR/FPI officials. DAU determined that there was no willful or knowing intent to violate the ADA.

Source: Unaudited information GAO extracted from agency ADA reports.

SECRETARY OF LABOR
WASHINGTON, D.C. 20210

MAR 02 2021

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. 1351.

A violation of 31 U.S.C. 1341 occurred in account 16-0165, Departmental Management, in the total amount of \$498,095. The violation occurred on September 25, 2017, in connection with the Women in Apprenticeship and Nontraditional Occupations (WANTO) Technical Assistance Grant program for Fiscal Year (FY) 2017 resulting from violations of Congressional notice requirements for reprogrammings.

Funds made available in the Department of Labor Appropriations Act, 2017 are subject to a general provision that prohibits the Department of Labor (the Department) from obligating or expending funds through a reprogramming of funds that augments existing programs, projects, or activities by \$500,000 or 10 percent, whichever is less, unless the agency notifies the House and Senate Committees on Appropriations in advance of such actions. In FY 2017—when the Women’s Bureau (WB) became responsible for administering the WANTO program for the first time—the appropriations language provided a funding floor, and thereby a separate program, project, or activity for the WANTO grant program. The Department increased the amount of funding allocated to the WANTO program through a reprogramming by \$498,095, which was in excess of the 10 percent reprogramming threshold, and obligated such funds in advance of notifying the Committees on Appropriations, thereby violating the general provision and the ADA.

The Department has instituted steps to prevent this violation from recurring. The Department sent notice of a similar reprogramming for the WANTO grant program for FY 2018 and FY 2019. In addition, the Department has reviewed its internal policies on reprogrammings and transfers and will distribute guidance to all administrative officers and budget staff clarifying those policies to prevent potential violations. The Department’s Administrative Control of Funds has been approved by the Office of Management and Budget and does not need to be amended.

The Department will not impose administrative discipline or further action because the Department has not identified an individual responsible for such a violation. The Department has determined that there was no knowing and willful intent to violate the ADA.

Identical reports are being submitted to the President of the Senate, the Speaker of the House, and the Comptroller General of the United States.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Stewart', with a long horizontal flourish extending to the right.

MILTON AL STEWART
Acting Secretary of Labor



**THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON**

November 26, 2024

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

Dear Mr. Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. § 1351. A violation of 31 U.S.C. § 1341 (a) occurred in the Department of Veterans Affairs (VA) Board of Veterans' Appeals (Board) account (36-1122) in the amount of \$372,876.

The violations transpired between March 2023 and June 2024 from a series of retroactive payments to satisfy backpay orders. The fiscal year (FY) 2020 account had insufficient funds to cover the amount of the payments.

To ensure no future violations of this nature, the Board adjusted its budgeting procedures to increase funds reserved for future back pay agreements. Additionally, the Board will improve coordination with VA human resources officials, the VA Office of General Counsel, and the VA payroll provider to better prepare for such future payments.

VA determined that the responsible party had no knowing or willful intent to violate the Antideficiency Act; therefore, VA has not taken any additional administrative actions. The officer responsible for the violation is no longer employed by VA. In accordance with existing transfer authority, VA will request Senate and House Appropriations Committees' approval to transfer funds from the FY 2020 Veterans Benefits Administration's General Operating Expenses account to the Board's account to cover the deficit.

Identical reports will be submitted to the President, the President of the Senate, and the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis McDonough".

Denis McDonough



U.S. National Science Foundation
Office of the Director

November 26, 2024

The Honorable Gene L. Dodaro
Comptroller General of the United States
Government Accountability Office
Washington, DC 20548

Dear Comptroller Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. 1351. A violation of 31 U.S.C. 1341(a) occurred in the National Science Foundation's Agency Operations and Award Management account (049 0180) in the total amount of \$38,666.73 when the Foundation obligated more than \$5,000 to furnish the Director's office without providing advance Congressional notification, as required. The violation occurred during fiscal years 2020, 2021, and 2022. The Foundation has determined that these violations occurred due to insufficiently detailed policies and procedures regarding the notification requirement.

On several occasions during the fiscal years identified above, staff obligated and expended funds for necessary upgrades and equipment to enable remote telecommunications and address other pandemic-related needs for the office assigned to the Director of the Foundation. Then-applicable Congressional notification requirements covered these expenses.¹ No official or employee provided the required advance notification before making such obligations and expenditures. The failure to notify occurred due to insufficiently detailed policies and procedures regarding the notification in question.

To prevent a recurrence of this type of violation, the Foundation has developed a detailed Standard Operating Procedure (SOP) for reviewing, approving, and tracking obligations and expenditures for NSF appointee office improvements. The SOP documents the steps that must be taken by NSF offices before obligating funds for this purpose. It defines what purchases are considered office improvements by the provision noted above. The SOP also establishes a procedure for notification to Congress and other affected NSF offices on

¹ This provision can be found at section 710 of the Financial Services and General Government Appropriations Act, 2022, Pub. L. 117-103, div. E, title VII (March 15, 2022). Identical or nearly identical notification provisions were enacted in the annual government-wide General Provisions in each of the fiscal years covered within this report.



U.S. National Science Foundation
Office of the Director

appointee office expenditures. This revised guidance ensures that such costs are properly accounted for and noticed before obligation.

The NSF has a long-standing commitment to excellence in its financial operations. For 27 consecutive years, the agency has received an unmodified “clean opinion” on its financial statements, and the agency's A-123 internal control program played a crucial role in identifying this ADA violation and establishing a formal procedure for reviewing these costs.

Identical reports are being submitted to the President, the President of the Senate, and the Speaker of the House of Representatives.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Sanchana' or similar, written in a cursive style.

Sethuraman Panchanathan
Director



COMPTROLLER

UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1 100

JAN 13 2025

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

Dear Mr. Dodaro:

This letter reports violations of the Antideficiency Act (ADA), contained in Army Case number 23-01 as required by title 31, United States Code (U.S.C.) § 1351. The violations involved fiscal years (FY) 2021 and 2022 National Guard Personnel, Army (NGPA) appropriations. The violations totaled \$102,000,000. The Army National Guard (ARNG) allowed ARNG units of the States, Territories, and District of Columbia (D.C.) to make or authorize bonus and retention obligations against the two NGPA appropriations without being constrained by funding limitations. This resulted in ADA violations of title 31 U.S.C. § 1341(a)(1)(A).

The ARNG manages bonus and retention allotments through a Centrally Managed Account (CMA). The ARNG units in the States, Territories, and D.C. were authorized to obligate NGPA funds for these purposes. Normally, accurate accountability of these transactions for FYs 2021 and 2022 relied upon a technology system that monitored them; however, it malfunctioned and went off-line for a substantial period during these fiscal years. With adequate oversight lacking at the CMA, the States, Territories, and D.C. over-obligated bonus and retention funds, causing the entire appropriation of \$8.66 billion for FY 2021 to be over-obligated by \$60.0 million. In FY 2022, the States, Territories, and D.C. again over-obligated bonus and retention payments, causing the entire appropriation of \$9.02 billion for FY 2022 to be over-obligated by \$42.0 million. In addition to the failure of the technology system and ineffective internal controls leading to the ADA violations, higher-than-expected personnel costs, including lump-sum bonuses, strained the allotment of resources.

The current Senior Advisor for Military Personnel and Quality of Life, in the Office of the Assistant Secretary of the Army for Manpower, and Reserve Affairs, was the official responsible for the ADA violations in his former position as the Assistant Director of the Army National Guard Personnel and Talent Management. While he should have exercised overall responsibility for implementing corrective actions to improve controls over the centrally managed account, especially upon the failure of the technology tracking system, he failed to do so. He was verbally counseled by the Director, ARNG. The report concludes that there was no knowing or willful intent to violate the ADA.

To prevent a recurrence of this type of violation, the ARNG now leverages the GovCloud, with all production environment data backed up at an alternate location to ensure system continuity of operations and to significantly reduce the potential for a protracted system outage. In addition, the ARNG has made policy modifications which have significantly limited the eligible population for receipt of bonus payments. The ARNG has restricted the ability of the States, Territories and D.C. to create bonuses outside of the Guard Incentives Management System. Finally, the ARNG has established a formal governance framework ultimately chaired by the Deputy Director, Army National Guard, that reviews commitments and execution monthly.

Identical reports are 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.



Michael McCord

Enclosure:
As stated



Office of the Secretary
Washington, D.C. 20250

June 1, 2022

The Honorable Eugene Louis Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW.
Washington, D.C. 20548

Dear Comptroller Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. 1351.

The General Counsel for the Government Accountability Office (GAO) issued an opinion on June 29, 2020, B-331092, that the United States Department of Agriculture's (USDA) Farm Service Agency (FSA) violated the Antideficiency Act (ADA) when it incurred obligations to perform various activities and ultimately recalled employees in all county offices back to work during the lapse in Federal appropriations between December 22, 2018, and January 25, 2019. FSA lacked available budget authority for these activities and GAO directed FSA to report its violation. The amount of the violation is \$53,040,426.00 and occurred in account 12X0600 2019. The GAO opinion is attached.

While the GAO opinion dated June 29, 2020, directed USDA to report its Antideficiency Act violation as required by 31 U.S.C. § 1351, I am now writing to report this violation in response to an April 19, 2022 letter from GAO to USDA's General Counsel directing us to report this violation.

Background

FSA was directed by the former Under Secretary for Farm Production and Conservation to implement the return of FSA county office employees to operating status after an initial furlough period, due to the above-described lapse in Federal funding. According to GAO opinion, in doing so, USDA relied on the exception to the ADA for emergencies to prevent imminent threat to the Federal government's security interests and to other property. In its opinion GAO did not state FSA's actions were considered willful or deliberate. However, GAO determined because no ADA exception applied, FSA lacked the budget authority for the obligations it incurred to provide warehouse receipts, process payments, sign two-party checks, and implement farm programs during the lapse in appropriations. GAO found FSA did not have appropriations available for the purpose of operating its county offices between December 22, 2018, and December 28, 2018. The rationale for GAO's determinations is provided in the attached opinion.


The Honorable Eugene Louis Dodaro
Page 2

Corrective Action

FSA updated the fiscal year 2022 Government Shutdown plan to ensure compliance with legal requirements in the event of a shutdown discussed in the GAO opinion. As discussed in the plan, select FSA leadership at headquarters and state offices and other employees continue to be on call to ensure continuity of operations to ensure security interest

Identical reports are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General of the U.S. The Director of the Office of Budget and Management has been informed of the ADA violation.

Sincerely,

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

Thomas J. Vilsack
Secretary

Enclosure



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

January 17, 2025

THE HONORABLE EUGENE LOUIS DODARO
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Comptroller Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA) by the United States Department of Agriculture (USDA or “Agency”), as required by 31 U.S.C. 1517(a)(1).

Multiple violations of 31 U.S.C. 1517(a)(1) occurred during fiscal years (FYs) 2018 - 2024 in various accounts listed below, in the total amount of \$951,406,711.10. These violations occurred when obligations were incurred against receipts and anticipated reimbursable authority that had not been apportioned by the Office of Management and Budget (OMB). These violations are summarized below by Treasury Account Fund Symbol, Account Title, and fiscal year.

Date of Violation	Treasury Account - Account Title	Sum of Apportionment Violation
10/1/2018	12-0013/18 - Office of the Chief Information Officer	15,657,291.74
	12-0115/18 - Office of the Secretary	60,592,619.71
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	7,381,197.60
	12-0123/18 - Office of the Chief Economist	1,244,322.60
	12-0124/18 - Office of the Under Secretary for Research, Education and Economics	2,591,647.49
	12-0125/18 - Office of the Under Secretary for Marketing and Regulatory Program	168,535.13
	12-0136/18 - Office of Ethics	257,684.00
	12-2300/18 - Office of the General Counsel	4,503,942.91
	12-3800/18 - Office of Civil Rights	3,880,955.60
Subtotal:		96,278,196.78
10/1/2019	12-0013/19 - Office of the Chief Information Officer	29,647,532.25
	12-0115/19 - Office of the Secretary	50,708,219.13
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	6,923,620.97
	12-0123/19 - Office of the Chief Economist	1,338,028.98
	12-0124/19 - Office of the Under Secretary for Research, Education and Economics	2,229,542.59
	12-0125/19 - Office of the Under Secretary for Marketing and Regulatory Program	186,388.25
	12-0136/19 - Office of Ethics	684,605.25
	12-2300/19 - Office of the General Counsel	4,199,492.18
	12-3800/19 - Office of Civil Rights	4,553,120.86
Subtotal:		100,470,550.46

THE HONORABLE EUGENE LOUIS DODARO

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Date of Violation	Treasury Account - Account Title	Sum of Apportionment Violation
10/1/2020	12-0013/20 - Office of the Chief Information Officer	43,234,144.51
	12-0115/20 - Office of the Secretary	57,896,301.00
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	9,636,801.95
	12-0123/20 - Office of the Chief Economist	1,448,135.82
	12-0124/20 - Office of the Under Secretary for Research, Education and Economics	3,890,360.41
	12-0125/20 - Office of the Under Secretary for Marketing and Regulatory Program	50,000.00
	12-0136/20 - Office of Ethics	686,280.00
	12-0503/20 - Office of Budget and Program Analysis	54,030.55
	12-2300/20 - Office of the General Counsel	5,088,642.80
	12-3800/20 - Office of Civil Rights	5,784,741.23
Subtotal:		127,769,438.27
10/1/2021	12-0013/21 - Office of the Chief Information Officer	53,158,822.75
	12-0115/21 - Office of the Secretary	65,612,522.26
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	11,013,717.19
	12-0123/21 - Office of the Chief Economist	2,746,682.19
	12-0124/21 - Office of the Under Secretary for Research, Education and Economics	4,310,166.30
	12-0125/21 - Office of the Under Secretary for Marketing and Regulatory Program	187,575.00
	12-0136/21 - Office of Ethics	711,983.23
	12-0470/21 - Office of Safety, Security, and Protection	4,336,162.12
	12-0503/21 - Office of Budget and Program Analysis	492,113.02
	12-2300/21 - Office of the General Counsel	5,727,140.62
	12-3800/21 - Office of Civil Rights	6,326,913.14
Subtotal:		154,623,797.82
10/1/2022	12-0013/22 - Office of the Chief Information Officer	96,891,716.41
	12-0014/22 - Office of the Chief Financial Officer	3,304.17
	12-0115/22 - Office of the Secretary	72,909,100.18
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	3,725,076.44
	12-0123/22 - Office of the Chief Economist	1,966,545.51
	12-0124/22 - Office of the Under Secretary for Research, Education and Economics	5,291,697.30
	12-0125/22 - Office of the Under Secretary for Marketing and Regulatory Program	219,653.29
	12-0136/22 - Office of Ethics	725,720.48
	12-0470/22 - Office of Safety, Security, and Protection	1,831,812.78
	12-0503/22 - Office of Budget and Program Analysis	849,085.78
	12-2300/22 - Office of the General Counsel	4,986,467.53
	12-3800/22 - Office of Civil Rights	809,419.47
Subtotal:		190,209,599.34

THE HONORABLE EUGENE LOUIS DODARO

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Date of Violation	Treasury Account - Account Title	Sum of Apportionment Violation
10/1/2023	12-0013/23 - Office of the Chief Information Officer	38,723,877.49
	12-0115/23 - Office of the Secretary	77,398,373.84
	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	10,278,289.39
	12-0123/23 - Office of the Chief Economist	2,454,925.04
	12-0124/23 - Office of the Under Secretary for Research, Education and Economics	10,437,248.65
	12-0125/23 - Office of the Under Secretary for Marketing and Regulatory Program	12,854.66
	12-0136/23 - Office of Ethics	841,971.84
	12-0470/23 - Office of Safety, Security, and Protection	1,867,566.71
	12-0503/23 - Office of Budget and Program Analysis	722,874.67
	12-2300/23 - Office of the General Counsel	10,128,731.34
	12-3800/23 - Office of Civil Rights	171,602.36
Subtotal:		153,038,315.99
10/1/2024	12-0117/X - Agriculture Buildings and Facilities and Rental Payments	13,292,518.51
	12-0115/24 - Office of the Secretary	71,825,545.41
	12-0124/24 - Office of the Under Secretary for Research, Education and Economics	6,974,279.60
	12-0126/24 - Office of the Under Secretary for Farm and Foreign Agricultural	410,000.00
	12-0127/24 - Office of the Under Secretary for Rural Development	102,666.00
	12-0013/24 - Office of the Chief Information Officer	10,122,210.65
	12-0014/24 - Office of the Chief Financial Officer	810,088.86
	12-0123/24 - Office of the Chief Economist	6,309,851.90
	12-0136/24 - Office of Ethics	1,026,342.26
	12-0470/24 - Office of Safety, Security, and Protection	4,285,103.81
	12-2300/24 - Office of the General Counsel	13,390,705.44
	12-3800/24 - Office of Civil Rights	467,500.00
Subtotal:		129,016,812.44
Violation Total:		951,406,711.10

Starting in FY 2018, USDA failed to seek annual apportionment of budgetary authority for estimated receipts and anticipated reimbursable amounts in the accounts summarized above for the Staff Offices within USDA. Budget authority from receipts and anticipated reimbursable amounts are appropriations that require apportionment. USDA should have requested apportionments from OMB pursuant to 31 U.S.C. 1512(a) prior to obligation and expenditure of those amounts. See OMB Circular A-11, §§ 120.5, 120.8. The annual apportionment submissions prepared and submitted by the Office of the Chief Financial Officer (OCFO) also omitted an apportionment footnote that had historically allowed for upward apportionment adjustments without further action from OMB. Excluding the estimated amounts and footnotes meant that reimbursable receipts were not apportioned for FYs 2018 through FY 2023. In the absence of an OMB-approved apportionment, USDA's obligations and expenditures against

THE HONORABLE EUGENE LOUIS DODARO

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these receipts and reimbursable amounts exceeded its apportioned amounts and, thereby, violated the ADA.

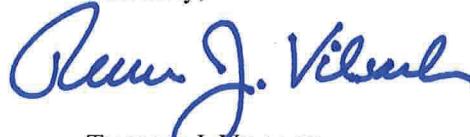
When the exclusions were discovered in FY 2024, USDA submitted apportionment requests to OMB for the remainder of FY 2024 and, separately, for authority to liquidate pending obligations already incurred during FYs 2018 - 2024.

The former OCFO Budget Director and former Associate Chief Financial Officer of Financial Policy and Planning were responsible for these violations. Each failed to properly prepare and submit apportionment requests for these reimbursable receipts according to Section 120 of OMB Circular A-11. USDA has determined that the responsible party had no knowing and willful intent to violate the ADA in these instances. These individuals are no longer with OCFO, so no disciplinary action is warranted. Once the error occurred in FY 2018, it carried over into subsequent years until a more comprehensive review of USDA's apportionments in these accounts occurred in FY 2024.

To prevent similar violations in the future, the OCFO has begun the implementation of a strategic plan that includes evaluating current operations, providing mandatory trainings on OMB Circular A-11 requirements, and the development of standard operating procedures that will help drive continuous improvement and full compliance with the law. In addition, USDA has determined that its previous system of administrative control of funds requires improvement and enforcement. In FY 2025, USDA will reestablish a system of administrative control of funds, pursuant to 31 U.S.C. 1514, to be approved by OMB and published on the USDA website as required by Section 150 of OMB Circular A-11 to ensure appropriate controls are in place to prevent future violations.

Identical reports are being submitted to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General of the Government Accountability Office.

Sincerely,

A handwritten signature in blue ink that reads "Thomas J. Vilsack". The signature is fluid and cursive, with the first name "Thomas" and last name "Vilsack" clearly legible.

THOMAS J. VILSACK
Secretary



United States Department of Agriculture
Office of the Secretary
Washington, D.C. 20250

January 17, 2025

THE HONORABLE EUGENE LOUIS DODARO
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

This letter is to report a violation of the Antideficiency Act (ADA), as required by 31 U.S.C. 1351.

A violation of 31 U.S.C. 1341 occurred in account 12-1000 21/22 Conservation Operations in the total amount of \$2,556,031. The violation occurred on September 29, 2021, when the U.S. Department of Agriculture's (USDA) Farm Production and Conservation Business Center (FPAC-BC) obligated more than \$25,000 on a contract for Vehicle Telematics software and hardware devices to be installed in USDA Natural Resources Conservation Service (NRCS) fleet of vehicles. These devices are classified as information technology (IT) and FPAC-BC failed to comply with the required approval process under Section 706 prior to funding the contract for NRCS.

Section 706 of the General Provisions (GP) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2021, prohibits USDA from making certain obligations for IT projects without the prior written approval of the Chief Information Officer (CIO). In particular, Section 706 placed an internal cap on FPAC-BC's appropriations, requiring prior written approval by the USDA CIO for funds to become available for any IT "projects, contracts, or other agreements over \$25,000". Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2021, Pub. L. No. 116-260, Division A, tit. VII, § 706 (Dec. 27, 2020). Because FPAC-BC failed this condition under section 706 by not obtaining the necessary CIO approval before obligating, FPAC-BC exceeded its available appropriations for this contract and thereby violated the ADA (31 U.S.C. § 1341(a)(1)(A)).

The awarding contract officer in the FPAC-BC was responsible for the violation. The awarding contracting officer left the agency on October 23, 2021, and FPAC-BC was unable to receive a statement from the officer. By interviewing other individuals involved with the awarded contract, FPAC-BC has determined that the responsible party was unaware that this requirement should be considered IT and had no knowing and willful intent to violate the ADA.

FPAC-BC identified several areas of failure and has taken corrective action through employee training. FPAC-BC, Information Solutions Division (ISD) has enhanced the IT acquisition process by educating various stakeholders within FPAC mission area on the IT acquisitions

THE HONORABLE EUGENE LOUIS DODARO

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process. This effort has facilitated the accurate identification of IT requirements, ensuring they adhere to the robust IT governance process. At the end of 2023 when the issue was identified, the IT portion of the request was removed from the non-IT initiatives process and incorporated into the IT initiative process which utilizes both the Investment Review Board (IRB) process for agency approval and the Acquisition Approval Request (AAR) process for USDA CIO approval. This process ensures that USDA stays in compliance with FITARA and Appropriations Law related to IT spending. A process has also been established to review new non-IT initiative request with ISD to ensure there are no IT items requested through the non-IT process.

Furthermore, USDA will establish a system of administrative control of funds to be approved by OMB and published on the USDA website, as required by Section 150 of Circular A-11.

Identical reports are being submitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives. The Director of the Office of Budget and Management has also been informed of the ADA violation.

Sincerely,


THOMAS J. VILSACK
Secretary



EXPORT-IMPORT BANK
OF THE UNITED STATES

Reta Jo Lewis, Esq.

PRESIDENT & CHAIR

August 8, 2024

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Comptroller General Dodaro:

This letter is to report a violation of the Antideficiency Act (ADA) by the Export-Import Bank of the United States (EXIM), as required by 31 U.S.C. § 1517(b).

A violation of 31 U.S.C. § 1517 occurred in account 083-4161X, Export-Import Bank Direct Loan Financing Account, in the total amount of \$4.884 billion. The violation occurred because EXIM did not have sufficient funds apportioned in its Direct Loan Financing Account to cover the full obligation of funds upon the approval of a new direct loan transaction by EXIM's Board of Directors on September 26, 2019. EXIM had anticipated seeking an apportionment for and approving this particular transaction in FY 2020; however, the Board approval date was brought forward to the very end of FY 2019, which resulted in EXIM not having sufficient funds in the apportionment to cover the transaction in FY 2019.

EXIM's Board of Directors approved a \$5 billion direct loan for a liquid natural gas (LNG) facility in Mozambique on September 26, 2019. While EXIM has recorded this obligation, to date there have been no disbursements. EXIM had a sufficient appropriation to cover the obligation at the time it was recorded, however, EXIM's approved apportionment at the time was insufficient to cover the full amount of the direct loan obligation. Furthermore, EXIM did not have an approved apportionment authorizing it to obligate funding for the transfer of negative subsidy generated by this transaction to the negative subsidy receipt account. EXIM had historically not requested apportionments for the transfer of negative subsidy to this account but had apportioned the Direct Loan Financing Account since FY 2017.

EXIM has taken specific actions to prevent the recurrence of the apportionment violations. These specific actions include:

1. EXIM has worked with the Office of Management and Budget (OMB) to appropriately apportion the Direct Loan Financing Account, including negative subsidy.
2. EXIM is working with OMB to update the Bank's Administrative Control of Funds to include additional process steps and details about the apportionment request. The update will cover all apportionment requirements for all accounts, including specific details

EXPORT-IMPORT BANK
OF THE UNITED STATESComptroller General Dodaro
Page 2

Reta Jo Lewis, Esq.

PRESIDENT & CHAIR

- about apportionment requirements for direct loan financing accounts and transfers to the negative subsidy receipt account.
3. EXIM has also instituted a quarterly review of all agency apportionments.
 4. In addition, EXIM has increased internal communications on the apportionment requests to include information about when apportionment requests have been submitted and approved by OMB.
 5. Finally, EXIM is adding a statement on the cover memo to the material submitted to the Chairman and Board of Directors for proposed authorizations confirming that funds have been apportioned to cover the transaction under consideration.

EXIM has determined that there was no knowing and willful intent to violate the ADA. Therefore, no administrative, disciplinary, or other action is considered necessary or appropriate.

Identical reports are being submitted to the President of the United States, the President of the United States Senate, and the Speaker of the U.S. House of Representatives.

Respectfully,

A handwritten signature in blue ink that reads "Reta Jo Lewis".

Reta Jo Lewis, Esq.
President and Chair of the Board of Directors



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1 100

AUG 2 1 2025

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

Dear Mr. Dodaro:

This letter reports violations of the Antideficiency Act (ADA), contained in Defense Acquisition University (DAU) case number 23-01 as required by section 1351 of title 31, United States Code (U.S.C.). The violations involved fiscal years 2019 through 2022 Operation and Maintenance and Defense Acquisition Workforce Development Fund appropriations. The violations totaled \$4,875,205.36. The DAU improperly used expired funds to make new obligations. DAU did not possess the correct fiscal year funds to adjust the incorrect obligations. As a result, ADA violations of 31 U.S.C. § 1341(a)(1)(A) occurred.

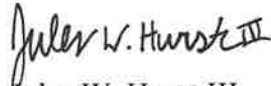
DAU entered into a Project Order agreement with the Department of Justice (DOJ), Federal Bureau of Prisons, UNICOR Federal Prison Industries Interagency Acquisition Services Group (UNICOR/FPI), to serve as and to perform the duties of the DAU contracting agent. This assisted acquisition function served to acquire repair services for facilities sustainment, renovation, and maintenance project requirements for DAU's Fort Belvoir Headquarters campus buildings. To fund the potential work, DAU transferred current-year funds for non-specific repair services to UNICOR/FPI. With DAU's acquiescence, UNICOR/FPI "parked" the funds for later use as projects were identified and definitized. After the parked funds became expired, they were obligated for new projects. As they could only be used to liquidate obligations properly made during their period of availability, violations of the Bona Fide Needs Rule (31 U.S.C. § 1502) occurred and became ADA violations when DAU was unable to correct the improper obligations with correct fiscal year funds.

The Director of the DAU Performance and Resource Management (PRM) Directorate, Chief Financial Officer; the Director of the DAU Operations Directorate; the Director, Small Business Group / Interagency Solution, Federal Prison Industries (FPI) UNICOR; and the Contracting Officer, (FPI) UNICOR Interagency Solutions Group, were the officials responsible for the ADA violations. The two DAU employees found to be responsible for the violation are now retired. As such, no disciplinary action was taken against them by DAU. With respect to the two DOJ UNICOR/FPI employees found to be responsible for the violation, DOJ declined to provide information regarding any disciplinary actions taken against them. The report concludes that there was no knowing or willful intent to violate the ADA.

To prevent a recurrence of this type of violation, the DAU has undertaken both fiscal and procedural corrective actions. The DAU PRM has been reorganized to align the entire Planning, Programming, Budgeting, and Execution process to the DAU Budget and Finance Officer, ensuring that a senior, certified financial manager has visibility and responsibility for all financial transactions. The DAU PRM also conducted a root cause analysis to identify the

weaknesses contributing to the ADA violations. They then designed and implemented an internal control to provide reasonable assurance that unliquidated obligations (ULOs) would be addressed in a timely manner and at the appropriate level of review. The intent is to ensure all ULOs are routinely reviewed and addressed in a timely manner and to ensure remaining/excess ULOs are de-obligated as soon as possible, without putting current year funds at risk.

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



Jules W. Hurst III

Performing the Duties of the Under Secretary of
Defense (Comptroller)/Chief Financial Officer

Enclosure:
As stated