

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

B-332675

May 17, 2021

The Honorable Kamala Harris
President of the Senate

The Honorable Nancy Pelosi
Speaker of the House of Representatives

Subject: *Fiscal Year 2020 Antideficiency Act Reports Compilation*

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. 31 U.S.C. §§ 1351, 1517(b). The report must contain all relevant facts and a statement of actions taken.

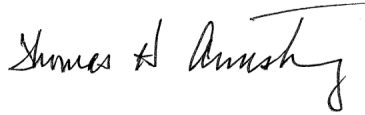
Since fiscal year 2005, GAO, in its role as repository for the Antideficiency Act reports that agencies submit, has produced and publicly released an annual compilation of summaries of the reports. We base the summaries on unaudited information extracted from the agency reports. Each summary includes 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 sent us additional materials to accompany their transmittal letters. We will make these additional materials available to Members and their staffs upon request.

Please find enclosed the compilation of summaries of the 13 Antideficiency Act violation reports and agency transmittal letters submitted to GAO in fiscal year 2020. The United States Department of Agriculture reported 7 violations, the Department of Energy reported 2 violations; while the Department of Defense, Department of Homeland Security, the Federal Deposit Insurance Corporation, and Environmental Protection Agency each reported 1 violation.

While GAO has not opined on the violations reported or the remedial actions taken, we do note that many of the reported violations resulted from similar agency actions. For example, 5 of the reported violations resulted from agencies overobligating or overexpending their apportionments, and 3 of the reported violations occurred because agencies obligated or expended appropriated funds on activities specifically prohibited by law. While GAO has not had occasion to review the specific facts giving rise to these reported violations, we want to highlight that an agency will violate the Antideficiency Act if it overobligates or overexpends its apportionment or obligates or expends appropriated funds on activities that are expressly prohibited by law.

In addition to the 13 reports received by GAO in fiscal year 2020, we also directly reported 4 violations that agencies failed to report to Congress.¹

If you have any questions, please do not hesitate to contact Shirley A. Jones, Managing Associate General Counsel, at (202) 512-8156, or Charlotte E. McKiver, Assistant General Counsel for Appropriations Law, at (202) 512-5992.

A handwritten signature in black ink that reads "Thomas H. Armstrong". The signature is written in a cursive style with a long horizontal line extending from the top of the "A".

Thomas H. Armstrong
General Counsel

Enclosure

¹ B-330776, Apr. 22, 2020; B-331094, Jun. 25, 2020; B-331093, Jun. 30, 2020; B-331132, Aug. 6, 2020.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-01

Agency No.: DCMA, 18-01	Date Reported to GAO: October 9, 2019
Agency: Defense Contract Management Agency (DCMA)	Date(s) of Violation(s): Fiscal Years (FYs) 2013-2016
Account(s): Operation and Maintenance (O&M); Research, Development, Testing and Evaluation (RDT&E)	Amount Reported: \$26,380,023

Description: DCMA reported that it violated the Antideficiency Act (ADA) when it obligated and disbursed funds from the incorrect appropriation to develop information technology (IT) software to replace existing systems.

DCMA used appropriations from O&M accounts to fund multiple contracts for development of an IT system it identified as the Integrated Workload Management System (IWMS). According to DCMA, these contracts should have been funded using appropriations from DCMA's RDT&E account because development of IWMS involved significant development, integration, and testing.

Remedial Action Taken: To prevent a recurrence of this type of violation, DCMA reported that it implemented multiple corrective actions, including an intensive validation process so future IT requirements will be developed and resourced through a formal program identified as the "Future Years Defense Program." DCMA also reported that it established a full Acquisition Review Board to review all acquisition actions that were not previously covered by a Service Acquisition Review Board, which only reviewed service acquisitions. Additionally, DCMA reported that it was implementing and developing processes to identify violations more quickly. DCMA reported that it identified the Director of IT and Comptroller as being responsible for the ADA violation. The DCMA Director issued a letter of admonishment to the Comptroller. The Director of IT is no longer a U.S. government employee and so discipline was not pursued. The DCMA report did not reach a conclusion that the ADA violations were willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-02

Agency No.: None Reported	Date Reported to GAO: October 24, 2019
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): 1999 through Fiscal Year (FY) 2017
Account(s): National Finance Center Working Capital Fund	Amount Reported: Unknown

Description: Agriculture reported a violation of the Antideficiency Act (ADA) when it provided certain web hosting services to the New Orleans Chapter of the Association of Government Accountants (AGA), a nonfederal entity, at no cost to the AGA.

The Office of the Chief Financial Officer, National Finance Center (NFC) provides payroll processing, human resource systems, insurance services, and data center hosting services to Agriculture and other federal agencies. Agriculture explains in its report that NFC operates as an approved working capital fund activity and Agriculture states that NFC is authorized to charge agencies for the services it provides. In 1999 NFC began providing web hosting services to the AGA. These services were discontinued in July 2017 after Agriculture identified concerns that NFC's hosting support of AGA's web pages could potentially be a violation of the ADA. In April of 2018, Agriculture's Office of the General Counsel determined that NFC violated the ADA by providing the web hosting services to the AGA without available appropriations.

Remedial Action Taken: To prevent a recurrence of these types of violations, Agriculture reported that it implemented a policy to address the development and maintenance of web pages hosted by NFC. However, Agriculture provided few details on the new policy, and did not explain how the policy would address NFC's provision of services to nonfederal entities. The reported policy mandates, among other things, that any modification to the web services request process be reviewed and approved by an appropriate authorizing official for requests for new web pages, as well as requests for changes to existing web pages. Agriculture reported that it identified a former Chief Financial Officer as being responsible for the ADA violation and that the individual is no longer with the agency. Agriculture did not report whether any disciplinary action was taken against any employee, but did report that it determined that the ADA violations were not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-03

Agency No.: None Reported	Date Reported to GAO: October 25, 2019
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): Fiscal Year (FY) 2019
Account(s): Pima Agriculture Cotton Trust Fund	Amount Reported: \$59,572.01

Description: Agriculture reported a violation of the Antideficiency Act (ADA) when it recorded a payment that exceeded the FY 2019 apportionment that was available for the Pima Agriculture Cotton Trust Fund (Trust) program.

The Trust program was established by Section 12314 of the Agricultural Act of 2014, Public Law 115-334, to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric. According to Agriculture, the Commodity Credit Corporation is authorized to transfer funds to the Trust each year until fiscal year 2023. Agriculture submitted this ADA report because the Trust lacked the necessary funds to cover an Inter/Intra-Agency Agreement administrative fee that was incurred in FY 2019.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that it has established additional controls including recertification prior to final signoff and exploring the utilization of commitment accounting, although Agriculture did not explain what commitment accounting is. Agriculture identified the Commodity Credit Corporation Program Section, Programs Budget Branch, Budget Division, Farm Production and Conservation Business Center, along with its Foreign Agricultural Service Budget Office as being responsible for the violation. Agriculture did not report whether any disciplinary action was taken against any employee, but did report that it determined that the ADA violations were not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-04

Agency No.: None Reported	Date Reported to GAO: October 25, 2019
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): Fiscal Year (FY) 2018
Account(s): Non-Insured Crop Disaster Assistance Program (NAP) Frost Freeze	Amount Reported: \$887.57

Description: Agriculture reported a violation of the Antideficiency Act (ADA) when it recorded obligations for payments exceeding the FY 2018 apportionment for its NAP Frost Freeze Program.

According to Agriculture, the NAP Frost Freeze Program, authorized by the 2014 Farm Bill, allowed the Farm Service Agency to retroactively provide assistance at additional coverage levels under the 2012 NAP to producers of eligible uninsurable fruit crops grown on a tree or bush when low yields occurred due to a natural disaster. Agriculture discovered that it exceeded its authority to issue payments under the NAP Frost Freeze program by \$887 when it improperly made payments in excess of its apportionment.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that it will ensure that appropriate controls are in place to prevent payments for programs that are no longer in existence. Agriculture identified its Emergencies and Compliance Division, Deputy Administrator for Farm Programs, Farm Service Agency as being responsible for the violation. Agriculture did not report whether any disciplinary action was taken against any employee, but did report that it determined that the ADA violations were not willfully or knowingly committed. In its report, Agriculture did not identify what efforts it made, if any, to recover improper payments.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-05

Agency No.: None Reported

Date Reported to GAO: October 28, 2019

Agency: Department of Energy (Energy)

Date(s) of Violation(s): Fiscal Year (FY) 2018

Account(s): Advanced Research Projects Agency
Amount Reported: \$5,801,831.76

Description: Energy reported that it violated the Antideficiency Act (ADA) when it incurred obligations without a valid apportionment in place.

Energy reported that an attorney in its Office of General Counsel advised Energy's Chief Financial Officer that a written apportionment was not necessary following the enactment of the second continuing resolution (CR) for FY 2018 because the Office of Management and Budget (OMB) Bulletin 17-02 automatically apportioned funds provided by the CR. However, according to Energy, OMB Bulletin 17-02 did not automatically apportion funds where either the Senate or House of Representatives had reported a bill with zero funding for a specific program. Based on the attorney's guidance, Energy incurred obligations without a valid apportionment in place.

Remedial Action Taken: To prevent a recurrence of this type of violation, Energy reported that management in its Office of General Counsel has reminded attorneys who provide appropriations guidance to carefully review all OMB bulletins and similar documents before providing similar legal advice in the future. Additionally, Energy noted that OMB Circular Number A-11 has been updated for consistency with OMB Bulletin No. 17-02. Energy identified an attorney in its Office of General Counsel as being responsible for the ADA violation. The Assistant General Counsel for General Law met with the attorney and determined that discipline was not necessary. Energy determined that the ADA violation was not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-06

Agency No.: None reported	Date Reported to GAO: November 21, 2019
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): Fiscal Year (FY) 2018
Account(s): Farm Service Agency Salaries and Expense	Amount Reported: \$300,000

Description: Agriculture reported that it violated the Antideficiency Act (ADA) when it obligated funds for an information technology (IT) project prior to receipt of written approval by the Chief Information Officer (CIO), which was required by a general provision in the appropriations act.

General Provision 706 of the 2018 Consolidated Appropriations Act, Public Law 115-141, required Agriculture to first obtain written approval from the Chief Information Officer before funds may be obligated for any IT project, contract, or agreement valued over \$25,000. In March of 2018, Agriculture obligated \$300,000 for the development and automation of the Commodity Credit Corporation Budget Model for FY 2018 before that project was approved by Agriculture’s CIO in violation of the general provision.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that it has stressed to all management personnel that they must comply with policies and procedures to ensure that the appropriate authorizations and approvals are obtained prior to the procurement of goods and services. Agriculture identified a Programs Branch Chief and Budget Officer for the Farm Service Agency, along with its Office of Budget and Finance, as being responsible for the violation. Agriculture did not report whether any disciplinary action was taken against any employee, but did report that it determined that the ADA violations were not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-07

Agency No.: None Reported	Date Reported to GAO: December 3, 2019
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): Fiscal Year (FY) 2017
Account(s): Agriculture Risk Coverage	Amount Reported: \$1,543,445,051.34

Description: Agriculture reported that it violated the Antideficiency Act (ADA) when it recorded an obligation for FY 2017 in excess of its apportionment. Agriculture reported another violation in this account for FY 2018. See GAO-ADA-20-10.

Agriculture reported that the Farm Service Agency improperly estimated the funds needed for the County Agriculture Risk Coverage Program, and an insufficient amount was apportioned to cover the fiscal year 2017 obligation for the program. As a result, the violation occurred when the program incurred obligations in excess of its apportionment.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that new procedures have been put into place to ensure that appropriate authorizations and approvals are obtained prior to requesting funding. Agriculture also reported that future shortfalls will be addressed by a change in the way that future estimates are calculated. Additionally, Agriculture reported that it now conducts a monthly call with all stakeholders in the program to discuss upcoming payment runs and to determine if there is enough funding available. Agriculture identified the Deputy Administrator for Farm Programs, Production, Emergencies, and Compliance Division as being responsible for the ADA violation. Agriculture determined that the ADA violations were not willfully or knowingly committed and reported that no administrative discipline was imposed on any employee involved.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-08

Agency No.: None Reported **Date Reported to GAO:** December 20, 2019

Agency: Department of Homeland Security (DHS) **Date(s) of Violation(s):** Fiscal Year (FY) 2014

Account(s): United States Secret Service (USSS) Salaries and Expenses **Amount Reported:** None Reported

Description: DHS reported violations of the Antideficiency Act (ADA) that occurred when it accepted voluntary services during the 2014 United Nations General Assembly (UNGA).

DHS reported that the USSS received voluntary services in 2014 during the UNGA from volunteer members of the Homeland Security Mobile Trauma Unit (MTU). According to DHS, no gratuitous service agreement was in place between the USSS and the MTU, when the voluntary services were provided.

Remedial Action Taken: To prevent a recurrence of this type of violation, DHS reported that it educated staff on voluntary services and use of gratuitous service agreements, and implemented ADA training for employees. DHS identified the former Deputy Director of USSS and the special agent in charge of the New York field office as being responsible for the ADA violation. The employees responsible for the ADA violation are both retired from federal service and no disciplinary action was pursued. DHS determined that the ADA violations were not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-09

Agency No.: None Reported **Date Reported to GAO:** January 10, 2020

Agency: Department of Agriculture
(Agriculture) **Date(s) of Violation(s):** Fiscal Years
(FYs) 2010-2011

Account(s): Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Program **Amount Reported:** \$19,689,763.19

Description: Agriculture reported that its Office of Advocacy and Outreach (OAO) violated the Antideficiency Act (ADA) when it recorded obligations under its Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Program in excess of amounts that were available in FYs 2010 and 2011.

According to Agriculture, section 14004(a)(3) of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, provided 1-year funds for each of FYs 2010 through 2012 to carry out Agriculture’s Office of Advocacy and Outreach’s Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Program. Agriculture reported that it obligated and expended these funds in excess of the amounts available for FYs 2010 and 2011. Agriculture reported that the errors occurred because the obligations for the grants were recorded in Agriculture’s payment system before the grants were finalized.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that it has developed, tested, and implemented stronger internal controls. Agriculture also reported that standard operating procedures were developed to reinforce the grant management business process, and that mandatory grant management training is now required for relevant personnel. Agriculture identified a former Assistant Secretary for Administration of OAO and its Financial Management Division as being responsible for the violation. Agriculture did not report whether any disciplinary action was taken against any employee, but did report that it determined that the ADA violations were not willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-10

Agency No.: None Reported	Date Reported to GAO: January 27, 2020
Agency: Department of Agriculture (Agriculture)	Date(s) of Violation(s): Fiscal Year (FY) 2018
Account(s): Agriculture Risk Coverage (ARC)	Amount Reported: \$1,797,297

Description: Agriculture reported that it violated the Antideficiency Act (ADA) when it recorded an obligation for FY 2018 in excess of its apportionment. Agriculture reported another violation in this account for FY 2017. See GAO-ADA-20-07.

According to Agriculture, the ARC program provides revenue loss coverage at the county or farm level. Agriculture had crop year 2017 enrollments approved in FY 2018 that exceeded the amounts available for this purpose. Agriculture reported that program officials did not check funds availability at the time of the approval and instead checked at the time of payment. When the payment run occurred, Agriculture discovered that there were not enough funds for all crop year 2017 contracts approved in FY 2018.

Remedial Action Taken: To prevent a recurrence of this type of violation, Agriculture reported that new procedures have been put into place to ensure that appropriate authorizations and approvals are obtained prior to requesting funding. Additionally, Agriculture reported that it now conducts a monthly call with all stakeholders in the program to discuss upcoming payment runs and to determine if there is enough funding available. Agriculture identified the Deputy Administrator for Farm Programs, Production, Emergencies, and Compliance Division, Farm Service Agency, as being responsible for the ADA violation. Agriculture determined that the ADA violations were not willfully or knowingly committed and did not report whether administrative discipline was imposed on any employees involved.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-11

Agency No.: None Reported	Date Reported to GAO: February 24, 2020
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Agency: Department of Energy (Energy)	Date(s) of Violation(s): Fiscal Years (FYs) 2011-2012, and 2017
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Account(s): Operation and Maintenance	Amount Reported: \$17,349
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Description: Energy reported that it violated the Antideficiency Act (ADA) when it incurred obligations to pay for an outside employee training program that violated certain restrictions on the use of appropriated funds.

Energy's appropriations acts for FYs 2011, 2012, and 2017, placed restrictions on the use of appropriated funds for training. Specifically, such appropriations acts prohibited the use of funds for any employee training that did not meet identified needs for knowledge, skills, and abilities bearing directly on the performance of official duties. Energy reported that it violated the ADA when it incurred obligations to pay for an employee training program in FYs 2011, 2012, and 2017 that violated these restrictions. Energy noted that the training course violated these restrictions because it was focused on personal growth rather than professional development.

Remedial Action Taken: To prevent a recurrence of this type of violation, Energy reported that it updated its training policies to explicitly note the training restrictions contained in its appropriations acts. Energy identified its Southwestern Power Administration (SWPA) as being responsible for the ADA violation. Energy did not report whether any disciplinary action was taken against any employee, but did report that it found no evidence that the ADA violations were willfully or knowingly committed. Energy also reported that the SWPA employee responsible for approving the training resigned in December of 2017.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-12

Agency No.: None Reported	Date Reported to GAO: March 13, 2020
Agency: Federal Deposit Insurance Corporation (FDIC)	Date(s) of Violation(s): Fiscal Year (FY) 2017 and 2018
Account(s): Deposit Insurance Fund	Amount Reported: None Reported

Description: GAO, following a routine audit of FDIC’s financial statement, determined that FDIC violated the purpose statute in 31 U.S.C. § 1301(a) and the Antideficiency Act (ADA) when it incurred obligations from the Deposit Insurance Fund (DIF) during a lapse in appropriations between December 22, 2018, and January 25, 2019. B-330693, Oct. 8, 2019. GAO concluded that FDIC’s general authority to incur obligations against the DIF was not available to FDIC OIG during the lapse in appropriations because FDIC OIG is funded through a separate and distinct appropriation. Consequently, FDIC OIG violated the purpose statute when it relied on FDIC’s general authority and incurred obligations against the DIF to continue operating during the lapse in appropriations. GAO also concluded that because FDIC OIG did not have an appropriation, it violated the Antideficiency Act. This conclusion was consistent with FDIC OIG’s prior, historical practice of conducting an orderly shutdown during a lapse in appropriations.

FDIC’s report expressed disagreement with GAO’s determination. It asserted that FDIC did not violate the Purpose Act or the ADA because FDIC believes it has broad authority to use the DIF to fund various operations.

Remedial Action Taken: FDIC asserts that it did not violate the purpose statute or ADA by incurring obligations from the DIF during the lapse in appropriations, contrary to GAO’s findings.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.

Antideficiency Act Reports – Fiscal Year 2020

GAO No.: GAO-ADA-20-13

Agency No.: None Reported	Date Reported to GAO: August 29, 2019
Agency: Environmental Protection Agency (EPA)	Date(s) of Violation(s): Fiscal Years (FYs) 2011-2016
Account(s): Environmental Programs and Management; Hazardous Substance Superfund	Amount Reported: None Reported

Description: EPA reported violations of the Antideficiency Act (ADA) that occurred when it accepted voluntary services from various individuals.

EPA reported that it improperly received voluntary services from various individuals at different points between 2011 and 2016. EPA identified two instances where it concluded that it had accepted such voluntary services. In the first instance, EPA accepted the unpaid services of post-graduate fellows, some of whom did not satisfy the definition of “student” in 5 U.S.C. § 3111, which contains requirements for the acceptance of volunteer services. In the second instance, EPA accepted voluntary services from peer reviewers who had not signed written compensation waivers prior to performing the uncompensated services.

Remedial Action Taken: To prevent a recurrence of this type of violation, EPA reported that it now reminds agency managers of legal requirements associated with uncompensated services in its annual operating guidance. EPA also reported that it issued a memorandum reiterating legal requirements for accepting services without pay, issued a new policy on non-student volunteers, and is providing training for agency managers and staff. EPA indicated that because of the systemic nature of concern, the ADA violations could not be attributed to any single employee. EPA also reported that it found no evidence that the ADA violations were willfully or knowingly committed.

Source: Unaudited information GAO extracted from agency Antideficiency Act reports.



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

OCT 09 2019

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 Contract Management Agency (DCMA) case number 18-01 (enclosed), as required by 31 U.S.C. § 1351. The violations involved fiscal years (FY) 2013 through 2016 Operation and Maintenance, Defense-Wide (O&M), and Research, Development, Testing and Evaluation, Defense-Wide (RDT&E), funds. The violations totaled \$26,380,023 and occurred at the DCMA Headquarters, Fort Lee, Virginia. The DCMA improperly obligated and disbursed O&M funds to develop the Integrated Workload Management System (IWMS) as a replacement for the Electronic Data Warehouse system. Given the significant development, integration, and testing, DCMA's use of O&M funding was improper and RDT&E funds should have been used. Consequently, the DCMA incurred uncorrectable violations of title 31 U.S.C. §§ 1517 and 1301.

The DCMA used multiple contracts to implement the IWMS, using O&M funds instead of RDT&E as required for this development effort. The IWMS is not simply an enhancement, but a development of a capability based on new technology. It was planned to become DCMA's single integrated system for contract administrative services. The execution of IWMS efforts under the Discover Technologies, Apprio, and NES contracts followed a development process indicative of software development. The DCMA Information Technology (IT) Directorate was responsible for programming and budgeting, contract administration, and executing the correct appropriations each year to resource the requirements, including the IWMS sustainment and development contract actions. However, the Director of IT and the Executive Director of Financial and Business Operations/Comptroller (Comptroller) failed to properly execute their duties and responsibilities, resulting in the erroneous funds being executed.

The Director of IT and the Comptroller were found responsible for causing the ADA violations. The Director, DCMA issued a letter of admonishment to the Comptroller. The Director of IT is no longer a U.S. Government employee and discipline was not pursued. The report does not conclude there was willful or knowing intent on the part of the responsible individuals to violate the ADA.

To prevent a recurrence of this type of violation, the DCMA has implemented multiple corrective actions including an intensive validation process so IT requirements will be developed and resourced through the Future Years Defense Program and will no longer be last-minute execution initiatives. The DCMA also implemented multiple acquisition improvements, including a Multi-Functional Team policy and a full Acquisition Review Board to review all acquisition actions that were not previously covered by a Service Acquisition Review Board,



which only covered service acquisitions. The DCMA will implement additional levels of approval for high-value obligations and the testing of processes to ensure violations can be found before they perpetuate for multiple years. The test processes are being developed.

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,



Elaine McCusker
Acting

Enclosure:
As stated



OCT 24 2019

United States
Department of
Agriculture

Office of the
Chief Financial
Officer

1400 Independence
Avenue, SW
Washington, DC
20250-9600

The Honorable Gene L. Dodaro
Comptroller General of the United States
United States 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 Section 1351 of Title 31, United States Code (U.S.C.). The violation of 31 U.S.C. § 1341 occurred in account 012X4609 Working Capital Fund, Agriculture.

The Office of the Chief Financial Officer (OCFO), National Finance Center (NFC) provides payroll processing, human resources systems, Office of Personnel Management insurance services, and data center hosting services to the Department of Agriculture (USDA) and other Federal agencies. NFC operates as an Office of Management and Budget approved Working Capital Fund (WCF) activity. As such, pursuant to 7 U.S.C. § 2235, NFC is authorized to charge agencies for the services they receive from NFC, to deposit payments for those services into WCF, and to use those deposits to finance its activities.

Beginning in 1999, until July 3, 2017, NFC had provided hosting support of the New Orleans Chapter of the Association of Government Accountants' (AGA) Web pages on NFC's servers at no cost to AGA. These services included, for example, updating the AGA member names and contact information and providing day-to-day hosting support of the AGA Web pages. The Chief Financial Officer (CFO) who approved NFC to host the New Orleans AGA Web pages is no longer with the Agency.

On December 25, 2016, the (then) current USDA CFO appointed a new Director of NFC. On June 30, 2017, it was brought to the attention of the USDA Acting Deputy Chief Financial Officer (DCFO) that NFC's hosting support of the AGA Web pages could potentially be violations of the ADA. On the same day, the Acting DCFO made an informal request to the Office of the General Counsel (OGC) as to whether the hosting of the AGA Web pages was, in fact, an ADA violation. While awaiting the decision from OGC, out of an abundance of caution, on July 3, 2017, the new Director of NFC instructed the web support staff to disable the New Orleans AGA's Web pages. Those instructions were immediately implemented and to date, the pages remain disabled.

On August 7, 2017, based on informal feedback from OGC, regarding the assertion of the potential ADA violation, the Acting DCFO requested a formal legal opinion from OGC

The Honorable Gene L. Dodaro
Page 2

as to whether NFC violated the ADA by maintaining Web pages for AGA. On April 27, 2018, OGC provided a final determination stating that NFC violated the ADA by providing the Web page hosting services in question for AGA, because NFC had no funds available for the purpose of providing any services to a non-Federal entity (AGA).

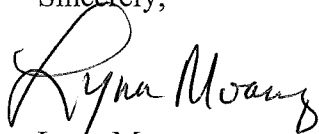
OCFO has determined that there was no willful or knowing intent on the part of the Agency to violate the ADA. The deficient control was the lack of verification by the CFO at the time, as to whether there were funds available to host and maintain the AGA Web pages, prior to approving the payment of salaries and other expenses of NFC employees to perform these functions.

Since this incident was discovered and subsequently discontinued, NFC has implemented a policy to address the development and maintenance of Web pages hosted by NFC. That policy mandates that any modification to the Web services request process requires the review and approval from the appropriate authorizing official for creation of new Web pages and change requests to existing Web pages. It is also required that all requests for Web Services include a signature of the applicable official indicating final approval. By revising this process, OCFO believes this corrective action will mitigate future occurrences.

If you have any questions or need additional information, please have your staff contact OCFO at (202) 720-5539.

Identical reports are being submitted to President Donald J. Trump, the President of the Senate Michael Pence, and the Speaker of the House of Representatives Nancy Pelosi.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Moaney". The signature is written in a cursive style with a large initial "L".

Lynn Moaney
Deputy Chief Financial Officer



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

OCT 25 2019

The Honorable Gene L. 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. 1517(a).

A violation of ADA, 31 U.S.C. § 1517 occurred in account 12X4336, Pima Agriculture Cotton Trust Fund, in the total amount of \$59,572.01. The violation occurred on May 20, 2019 when a payment that exceeded the FY 2019 apportionment for the Pima Agriculture Cotton Trust Fund program was recorded. The groups responsible for the violation were the Credit Commodity Corporation Program Section, Programs Budget Branch, Budget Division, Farm Production and Conservation Business Center (FPAC -BC) and the Foreign Agricultural Service (FAS) Budget Office, United States Department of Agriculture (USDA).

Background

Public Law 115-334 authorizes the Commodity Credit Corporation to transfer each year through 2023, an amount the Secretary has determined to be necessary to make payments, not to exceed \$16,000,000, to the Pima Agriculture Cotton Trust Fund.

At the time of the potential ADA, a manual process was used to appropriate, apportion, and allocate funding based on the current year SF-132 (Apportionment), which was approved on February 4, 2019, for this program. After the 6.2% sequestration, \$15,008,000 was available for FY 19. On March 15, 2019, an Inter/Intra-Agency Agreement CCC19IRA0010075 (IAA) for \$124,500 administrative fees was initiated and funds were certified to start the IAA process. On April 17, 2019, \$14,943,072.01 was disbursed for payments to manufacturers/producers. As a result of the disbursement in April, only \$64,927.99 of FY19 funds remained available for obligation. On May 20, 2019, the IAA was fully signed for the \$124,500 administrative fee, which exceeded the funds available for FY 19 by \$59,572.01. There were not enough no-year funds available to use. The potential ADA was discovered on May 31, 2019, when the program accountant created a manual voucher to obligate the fund based on the value of the approved IAA.

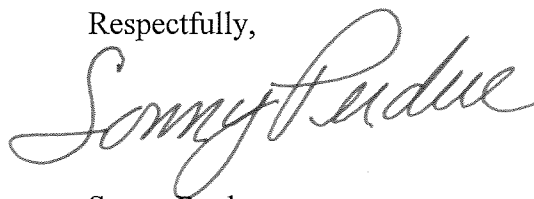
The Honorable Gene L. Dodaro
Page 2

Corrective Action

To prevent future recurrences of this nature, additional controls have been established including recertification prior to final signoff and exploring the utilization of commitment accounting. FPAC-BC and FAS have determined that the responsible parties had no knowing and willful intent to violate the Antideficiency Act.

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

Respectfully,

A handwritten signature in cursive script that reads "Sonny Perdue". The signature is written in black ink and is positioned centrally on the page, below the word "Respectfully," and above the printed name and title.

Sonny Perdue
Secretary



United States Department of Agriculture

dasdf

Office of the Secretary
Washington, D.C. 20250

OCT 25 2019

The Honorable Gene L. 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. 1517(a). A violation of ADA, 31 U.S.C. § 1517 occurred in account 12X4336, Non-Insured Crop Disaster Assistance Program (NAP) Frost Freeze (FFN), in the total amount of \$887.57. The violation occurred on multiple dates in fiscal year 2018, when a payment that exceeded the FY 2018 apportionment for the NAP Frost Freeze program was recorded. The group responsible for the violation were the Emergencies and Compliance Division (PECD), Deputy Administrator for Farm Programs (DAFP), Farm Service Agency (FSA), United States Department of Agriculture (USDA).

Background

The NAP Frost Freeze program was authorized in the 2014 Farm Bill. It allowed the Farm Service Agency to retroactively provide assistance at additional coverage levels under the 2012 NAP to producers of eligible non-insurable fruit crops grown on a tree or bush when low yields occurred due to a natural disaster. The funding for this program ceased in fiscal year 2015; however, payments were found that had not been made. Funding was established in fiscal month 8 of fiscal year 2018, fiscal month 10 of fiscal year 2017, and fiscal month 8 of fiscal year 2016. The payment software was disabled after the program was no longer active causing the payments to have to be paid out of Prior Year Payments and reclassified in the CORE general ledger system. While in the process of reclassification of the payments issued in fiscal month 12 of fiscal year 2018, it was discovered that the 2018 issued payments exceeded the authority by \$887.57.

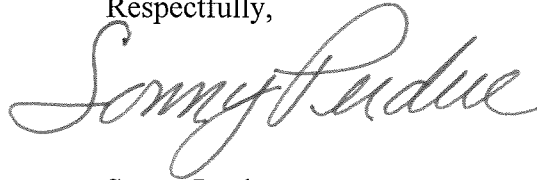
Corrective Action

This program is no longer in existence. Management will ensure that if payments have to be made in the future for programs no longer in existence that the appropriate controls are in place to prevent ADA violations. FSA has determined that the responsible parties had no knowing and willful intent to violate the Antideficiency Act.

The Honorable Gene L. Dodaro
Page 2

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

Respectfully,

A handwritten signature in cursive script that reads "Sonny Perdue". The signature is written in black ink and is positioned centrally on the page, below the word "Respectfully,".

Sonny Perdue
Secretary



GAO-ADA-20-05

Department of Energy
Washington, DC 20585

October 28, 2019

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

Dear Mr. Dodaro:

Enclosed is a letter transmitting to the President a report of a violation of the Antideficiency Act (ADA) (31 U.S.C. 1517).

The amount of the ADA violation was \$5,801,831.76 during fiscal year 2018. 31 U.S.C. 1517(b) requires that this report be sent to the President and Congress. OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, requires identical reports be provided to the President of the Senate, the Speaker of the House of Representatives, and the Comptroller General.

The Department of Energy received an unmodified audit opinion for the fiscal year in which the violation occurred. The Department of Energy has determined that the responsible party had no knowing and willful intent to violate the ADA, and no additional funds are needed to be appropriated by Congress to remedy the error.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Hendrickson". The signature is fluid and cursive, with a large initial "R" and a long horizontal stroke extending to the right.

R. M. Hendrickson
Deputy Chief Financial Officer

Enclosure





United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

NOV 21 2019

The Honorable Gene L. 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 Anti-deficiency Act (ADA), as required by 31 U.S.C. 1351.

A violation of 31 U.S.C. 1341(a)(1)(A) occurred in account 1218 0600, FSA Salaries and Expense, in the total amount of \$300,000. The violation occurred on March 25, 2018, in connection with the procurement of services for the Development and Automation of the Commodity Credit Corporation (CCC) Budget Model (Investment FSA-093) for fiscal year (FY) 2018. The people responsible for the violation were the Programs Branch Chief and Budget Officer for the Farm Service Agency (FSA), and the United States Department of Agriculture (USDA) Office of Budget and Finance (OBF).

Background

General Provision 706 of the Consolidated Appropriations Act, 2018 (Public Law 115–141), requires that, “notwithstanding section 11319 of Title 40, United States Code, *none 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.*” Per USDA DR 3130–013 USDA uses the Acquisition Approval Request (AAR) process for agencies to request authorization and approval from the USDA Office of the Chief Information Officer (OCIO) before funds can be obligated for any project or contract.

On December 21, 2017, FSA obtained approval from the USDA OCIO to obligate \$2,445,000 for the Budget and Performance Management System IT (Investment FSA–094) via AAR #76857. On March 20, 2018, OBF provided the acquisition requirements package to the USDA Procurement Operations Division (POD) that included Development, Automation, and Budget Work Scope requirements. The acquisition requirements package included the scope, independent government cost estimate, oral presentation requirements, and vendor pricing template.

On March 25, 2018, POD obligated \$1,174,353.80 to Deloitte Consulting, LLP via a Call Order for “Budget and Performance Management System Office of Budget and Finance Modernization and Transformation Initiatives.” On April 9, 2018 the FSA Administrative Expenses Branch

The Honorable Gene L. Dodaro
Page 2

Chief determined that ***the Call Order awarded included work on the Budget Performance Management System (Investment FSA-094) authorized under AAR#76857 and the Development and Automation of CCC Budget Model (Investment FSA-093) totaling \$300,000, which was not authorized by the USDA CIO before obligation.***

As a result, on April 12, 2018, FSA OBF and the IT leadership notified the FSA Administrator and the Farm Production and Conservation CIO that an ADA violation had occurred based on the obligation of FSA funds to develop and automate the CCC Budget Model without USDA CIO AAR approval. The contracting officer immediately notified the contractor (Deloitte Consulting) of the ADA and instructed them verbally to cease efforts on the Call Order. Finally, on April 16, 2018, the contracting officer issued an official stop work order on the Call Order and notified FSA that no further conversation was authorized between the program office and contractor.

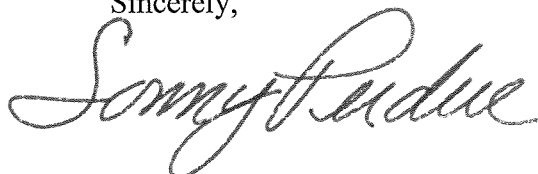
Corrective Action

To prevent future recurrences of this nature, it has been stressed to all management that policies and procedures which ensure that the appropriate authorizations and approvals are obtained prior to the procurement of goods or services, must be complied with. In this instance, it was determined that in FSA's management's haste to issue the Call Order, procedural mistakes were made by failing to ensure that the scope of the work requested and approved in the AAR matched those requested in the requirements package and resulting Call Order.

Finally, the FSA has determined that the responsible party had no knowing and willful intent to violate the Anti-deficiency Act.

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

Sincerely,

A handwritten signature in cursive script that reads "Sonny Perdue".

Sonny Perdue
Secretary



DEC 3 2019

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW.
Washington, D.C. 2022

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 ADA, 31 U.S.C. § 1517(a)(1) occurred in account 12X4336, County Agriculture Risk Coverage, in the total amount of \$1,543,445,051.34. The violation occurred on October 5, 2017, when an obligation that exceeded the FY 2017 apportionment for the County Agriculture Risk Coverage program was recorded. The group responsible for the violation were the Deputy Administrator for Farm Programs, Production, Emergencies and Compliance Division, Farm Service Agency (FSA) United States Department of Agriculture.

Background

The Agriculture Risk Coverage (ARC) program was authorized by the 2014 Farm Bill. The County Agriculture Risk Coverage (ARC-CO) program provides revenue loss coverage at the county level. ARC-CO payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-CO guarantee for the covered commodity.

On November 10, 2016, The Office of Management and Budget (OMB) approved an ARC-CO apportionment (17-AP-CCC-27) which provided a total of \$850,924,690 for crop year 2017 ARC funding. The ARC funding was divided between ARC-CO (\$775,924,690) and Agriculture Risk Coverage Individual Option (ARC-IC) (\$75,000,000). As part of fiscal year-end close for FY 2017, FSA recorded an obligation of \$2,319,369,741.34 for crop year 2017 ARC-CO. This exceeded the apportioned amount by \$1,543,445,051.34. On December 5, 2017 (FY 2018) OMB approved an apportionment providing \$1,396,500,000 in additional funding for ARC-CO crop year 2017. On March 1, 2018, OMB approved a second apportionment providing further funding of \$158,270,000 for crop year 2017 ARC-CO, resulting in total funding for crop year 2017 ARC-CO of \$1,554,770,000. Together the two apportionments approved in FY 2018 provided sufficient apportionment authority to cover the FY 2017 obligation of \$1,543,445,051.34 that was not supported by an apportionment at the time the obligation was recorded.

The apportionment signed on November 10, 2016 was based on the deterministic estimate provided by Farm Service Agency (FSA) Economic Policy Analysis Staff for ARC crop year 2017 obligations. The FY 2017 obligation (recorded on October 5, 2017) was based on

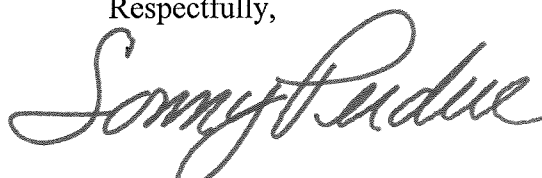
Crop Year 2017 estimates from Mid-Session Review (summer 2017), updated with enrolled acres (based on data after ARC/PLC sign-up ending Aug 2017). The updated estimate significantly exceeded the deterministic estimate which caused the obligation to exceed the apportioned amount.

Corrective Action

To prevent future recurrences of this nature, new procedures have been put into place to ensure that the appropriate authorizations and approvals are obtained prior to requesting funding. FSA will mitigate this potential shortfall in the future by including a stochastic element to the apportionment amount. The stochastic model contains a random element to help estimate the highly variable crop prices that impact ARC payments. Additionally, there is now also a monthly call with all stake holders in the program to discuss upcoming payment runs and to determine if there is enough funding in place. There was no administrative discipline imposed and any further actions taken with respect to the officer(s) or employee(s) involved with this violation as FSA has determined that the responsible parties had no knowing and willful intent to violate the Antideficiency Act.

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

Respectfully,

A handwritten signature in cursive script that reads "Sonny Perdue". The signature is written in black ink and is positioned above the printed name and title.

Sonny Perdue
Secretary

*Secretary*U.S. Department of Homeland Security
Washington, DC 20528**Homeland
Security**

December 20, 2019

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

Dear Mr. Dodaro:

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

The ADA violation for voluntary services occurred in Treasury Appropriation Fund Symbol 070 2014 0400. The violation happened in September 2014 in connection with the USSS Salaries and Expenses account. The Department determined that former Deputy Director of USSS and the Special Agent in Charge of the New York Field Office were responsible for the violation.

In March 2019, the Department's Office of the Chief Financial Officer completed an investigation into whether the Department violated 31 U.S.C. 1342 when it accepted voluntary services during the 2014 United Nations General Assembly (UNGA).

The violation was discovered on December 17, 2015 when the Office of General Counsel reviewed a request for a nonprofit organization credentialed as DHS-approved healthcare providers to continue providing voluntary services for USSS for the 2014 UNGA. Such review occurred after the USSS Deputy Director and Special Agent in Charge of the New York Office had already allowed volunteer members of the Homeland Security Mobile Trauma Unit (MTU) to participate in the 2014 UNGA, thereby providing voluntary services to USSS without a gratuitous service agreement in place. Such action resulted in a violation of 31 U.S.C. 1342, which prohibits the Federal government from receiving voluntary services except in certain circumstances. The Department determined the violation occurred due to lack of knowledge regarding voluntary services.

USSS terminated services with the MTU once the violation was discovered and did not accept the volunteers' services during the 2015 UNGA. USSS also educated staff on voluntary services and use of gratuitous service agreements and implemented ADA training for employees. These actions will strengthen awareness of the requirements to ensure this type of violation does not occur again within the Agency.

The Honorable Gene L. Dodaro

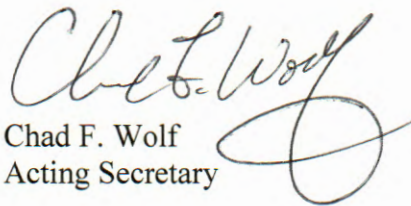
Page 2

No disciplinary action against the employees involved in this matter was taken. The two responsible parties are retired from Federal Service. The Department determined that the responsible parties had no knowing and willful intent to violate the ADA.

The Department's system of administrative control of funds was approved by the Office of Management and Budget (OMB) on January 20, 2010. The policy is currently being revised and will be routed for OMB approval prior to publishing.

An identical copy of this letter is being sent to the President, President of the Senate, and the Speaker of the House of Representatives.

Sincerely,



Chad F. Wolf
Acting Secretary



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

JAN 10 2020

The Honorable Gene L. Dodaro
Comptroller General of the United States
United States 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 sections 1351 and 1517(b) of Title 31, United States Code; which occurred under the previous administration.

On March 26, 2015, the U.S. Department of Agriculture's (USDA) Office of the Inspector General issued its final audit report of the Office of Advocacy and Outreach's (OAO) Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Program (hereafter known as the 2501 Program). Among the findings of this audit was the potential of a violation the Anti-Deficiency Act (specifically, 31 U.S.C. §1341 or 31 U.S.C. §1517(a)), having occurred in accounts 1210601 and 1220601 for the OAO. The violations were alleged to have occurred during the previous administration in fiscal years (FY) 2010 and 2011 in connection with the 2501 Program and involved a series of obligation and disbursement transactions totaling \$19,689,763.19.

Section 14004(a)(3) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246) provided \$20 million of funds from the Commodity Credit Corporation for each of FYs 2010 through 2012 to carry out the 2501 Program. These were 1-year funds that expired at the end of each fiscal year. In FYs 2010 and 2011, the OAO purported to award 118 grants, totaling \$38.2 million (61 grants totaling \$19 million in FY 2010 and 57 grants totaling \$19.2 million in FY 2011).

On August 31, 2015, USDA's Office of the General Counsel (OGC) determined that a number of grants purportedly obligated in FY 2010 had conditions to the award that had to be finalized, were made on the basis of counteroffers, or instructed awardees to return signed documents before the awards could be made. The notices to recipients were merely notices of award, and funds were not obligated until the grants were executed fully by signature of both an OAO and recipient official after September 30, 2010, i.e., in FY 2011. See, e.g., *To the Chairman, Federal Home Loan Bank Board*, B-149270, 50 Comptroller General 857, 862 (1971) (holding that generally, in order to properly obligate Federal assistance funds, there must be some action to establish a firm commitment on the part of the United States and that this commitment must be unconditional). The same error occurred in FY 2011, resulting in obligation of FY 2012 funds for purported FY 2011 awards. As a result of these errors, an ADA violation resulting from obligations totaling \$18,491,763.19 occurred in the FY 2010 2501 Program account as a result of purported FY 2010 funding awards in combination with proper FY 2011 funding awards, and an ADA violation totaling \$1,198,000 occurred in the FY 2011 2501 Program account as a result of purported FY 2010 awards in combination with proper FY 2011 awards. USDA's Office of Inspector General (OIG) noted the potential for this type of ADA violation as part of its report on the FY 2015 USDA Agency Financial Report.

The Honorable Gene L. Dodaro

Page 2

By improperly obligating and expending funds to grant recipients in support of the 2501 Program in excess of available funds in FY 2010 and FY 2011, OGC determined the agency violated 31 U.S.C. §1341(a)(1)(A), which states “[a]n officer or employee of the United States Government...may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.”

By obligating more than the amount apportioned by the Office of Management and Budget for the 2501 Program in FY 2010 and FY 2011, OAO violated 31 U.S.C. §1517(a). The OAO identified ADA violations for FY 2010 and FY 2011 under 31 U.S.C. §1517(a) were due to an administrative error.

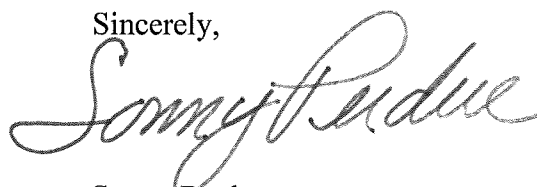
OAO since determined that a former Assistant Secretary for Administration was the officer responsible. Additionally, the Financial Management Division (FMD) under the then Office of Management Services, which was responsible for executing OAO’s budget, improperly recorded obligations for these grants in USDA’s financial payment system prior to receiving fully executed grant award documentation from OAO. The agency has determined that there was no willful or knowing intent on the part of the responsible party to violate the ADA.

The Department has worked hard to identify all of the factors associated with these problems and has taken the necessary steps to correct weaknesses in its systems and procedures. The principal failings were the result of inadequate financial management practices and the lack of established procedures. The Agriculture Improvement Act of 2018 formally organized the Office of Advocacy and Outreach into the Office of Partnerships and Public Engagement (OPPE). To prevent a recurrence, OPPE has developed, tested, and implemented stronger internal controls. Standard operating procedures were also developed to reinforce the grants management business process. Specifically, FMD realigned resources so that OPPE grants processing is now headed by a seasoned degreed accountant with experience in budget execution and financial management. The Director of FMD also has taken a more hands-on role in the budget execution and administration of 2501 Program funds and works closely with the Associate Director to ensure documentation is complete and accurate for all grants, cooperative agreements, and internal interagency agreements. Discretionary grants are obligated only after the amounts are determined administratively and the grant award paperwork is signed by all parties. All documentation is reviewed and approved by at least two individuals in order to mitigate the risk of fraud, waste, error, and abuse. The agency also funded mandatory training for OPPE and FMD staff on grants management regulations and procedures.

USDA sincerely regrets the delay in releasing this letter. Again, please note the violations discussed herein arose during a previous Administration, prior to my appointment as the Secretary of Agriculture, and know that I am committed to ensuring no similar recurrences during my tenure.

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

Sincerely,

A handwritten signature in cursive script that reads "Sonny Perdue". The signature is written in black ink and is positioned above the printed name and title.

Sonny Perdue
Secretary



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

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

JAN 27 2020

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 ADA, 31 U.S.C. § 1517 occurred in account 12X4336, Agriculture Risk Coverage (ARC), in the total amount of \$1,797,297. The violation occurred on multiple dates in fiscal year 2018, when an obligation that exceeded the FY 2018 apportionment for the ARC program was recorded. The group responsible for the violation were the Deputy Administrator for Farm Programs, Production, Emergencies and Compliance Division, Farm Service Agency (FSA) United States Department of Agriculture.

Background

The ARC program was authorized by the 2014 Farm Bill. The program provides revenue loss coverage at the county level or farm level. ARC payments are issued when the actual crop revenue of a covered commodity is less than the ARC guarantee for the covered commodity. ARC had Crop Year 2017 enrollments approved in Fiscal Year 2018 that exceeded the available funding for Crop Year 2017 in Fiscal Year 2018. The ARC program did not check funds availability at the time of the approval, and instead it is checked at the time of payment. When the payment run occurred, the program area identified that there were not enough funds for all the Crop Year 2017 contracts approved in Fiscal Year 2018.

Corrective Action

To prevent future recurrences of this nature, new procedures have been put into place to ensure that the appropriate authorizations and approvals are obtained prior to requesting funding. Additionally, there is now a monthly call with all stake holders in the program to discuss upcoming payment runs and to determine if there is enough funding in place. FSA has determined that the responsible parties had no knowing and willful intent to violate the ADA.

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 Management and Budget has also been informed of the ADA violation.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue".

Sonny Perdue
Secretary



GAO-ADA-20-11

Department of Energy
Washington, DC 20585

February 24, 2020

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

Dear Mr. Dodaro:

Enclosed is a letter transmitting to the President a report of a violation of the Antideficiency Act (ADA) (31 U.S.C. 1341).

The total amount of the ADA violation was \$17,349.00 during Fiscal Years 2011, 2012, and 2017. 31 U.S.C. 1351 requires that this report be sent to the President.

The Department of Energy received clean audit opinions for the fiscal years in which the violations occurred. The Department of Energy has no evidence that the responsible party had knowing and willful intent to violate the ADA, and no additional funds are needed to be appropriated by Congress to remedy the error.

To comply with the aforementioned provisions, the Department of Energy is also providing copies of the report to the President of the Senate and the Speaker of the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Hendrickson". The signature is stylized with a large initial "R" and a long horizontal stroke extending to the right.

R. M. Hendrickson
Deputy Chief Financial Officer

Enclosure





March 13, 2020

The Honorable Gene Dodaro
Comptroller General
Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Dodaro:

In an opinion dated October 8, 2019, GAO alleged that the Federal Deposit Insurance Corporation (FDIC) Office of Inspector General (OIG) violated the Antideficiency Act (ADA) (31 U.S.C. § 1341) when it incurred obligations from the Deposit Insurance Fund (DIF) pursuant to the Federal Deposit Insurance Act (FDI Act), 12 U.S.C. § 1821, during a lapse in appropriations.

The Offices of General Counsel for the FDIC OIG and the Office of Management and Budget (OMB) have thoroughly examined the matter and determined that the FDIC OIG did not violate the ADA. In 2017, the FDIC OIG General Counsel determined that the FDIC had statutory authority under the FDI Act to fund its operations from the DIF in the absence of a more specific appropriation. The Office of Management and Budget concurred with our view. Accordingly, during a lapse in appropriations beginning December 22, 2018, the FDIC OIG continued normal operations pursuant to this legal authority, as did all other components of the FDIC.

In a letter to GAO dated September 19, 2019, the FDIC OIG further articulated the legal basis for this determination. After reviewing the GAO opinion, the FDIC OIG General Counsel has concluded that the GAO opinion is flawed in its legal reasoning, deficient in its analysis, and incorrect in its conclusion, and that the FDIC OIG did not violate the ADA. The analysis from the FDIC OIG General Counsel is attached.

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.

Respectfully,

Jay N. Lerner
Inspector General

Enclosure



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

August 29, 2019

THE ADMINISTRATOR

The Honorable Eugene Dodaro
Comptroller General of the United States
Government Accountability Office
Washington, D.C. 20548

Dear Mr. Dodaro:

This letter is to report violations of the Antideficiency Act as required by 31 United States Code Section 1351. The Antideficiency Act, 31 U.S.C. § 1342, prohibits the acceptance of voluntary services except where authorized by law. Violations of § 1342 occurred in a variety of the U.S. Environmental Protection Agency appropriation accounts in multiple fiscal years, up to and including October 2016. Because the violations involved the EPA accepting voluntary services, no costs were associated with the violations. The violations were due to a lack of understanding of the legal limitations on and requirements for accepting services without pay.

Violations occurred at least at varying points between 2011 and 2016 in the Environmental Programs and Management account, Treasury Account Symbol 068 0108, and the Hazardous Substance Superfund account, Treasury Account Symbol 068 8145. Although documentation on individuals providing unpaid services to the EPA was incomplete, the agency has determined it is likely other similar violations also occurred because agency policies did not clearly require all individuals providing unpaid services to sign compensation waivers prior to performing any work. Insufficient documentation and the nature of the violations prevent the EPA from gathering evidence to definitively substantiate the number and scope of violations at this time.

The first set of identified violations occurred through 2016 when the EPA accepted the unpaid services of post-graduate fellows who did not all meet the definition of "student" under 5 U.S.C. § 3111. The violation occurred in connection with the Enforcement and Compliance Assurance program funded by both accounts identified above. Upon realizing the errors, the EPA ceased allowing post-graduate fellows to serve without pay.

A second set of identified violations occurred from January through April 2014 when the EPA accepted voluntary services from peer reviewers, some of whom had not signed a written compensation waiver prior to providing uncompensated services. The violation occurred in connection with the Environmental Education program funded by the Environmental Programs and Management account identified above. Upon realizing the error, the EPA standardized peer reviewer written compensation waiver forms and processes.

9/5/19

To address the systemic issues, the EPA began taking corrective actions in July 2017, including reminding agency managers of legal requirements associated with uncompensated services in annual operating guidance. Other actions include issuing a memorandum reiterating legal requirements for accepting services without pay, issuing a new policy on non-student volunteers, and providing training for agency managers and staff.

Because these problems were systemic, the EPA has concluded that responsibility for the violations cannot fairly be attributed to specific individuals. In addition, we found no evidence that the known violations were committed willfully and knowingly.

Identical reports are being submitted to the President, the President of the Senate, and the Speaker of the House of Representatives, in accordance with the process set forth in the Office of Management and Budget's Circular A-11.

Sincerely,



Andrew R. Wheeler