

**SUMMARY OF MAJOR CHANGES TO
VOLUME 14, CHAPTER 3
“PRELIMINARY REVIEWS OF POTENTIAL VIOLATIONS”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section,
Paragraph, table or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
030201 030301	<u>Incorporates policy in the Office of the Under Secretary of Defense (Comptroller) memorandum of June 21, 2007, titled “Inter-Agency Anti-Deficiency Act (ADA) Preliminary and Formal Investigation Compressed Schedule Policy”.</u>	Incorporate

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CHAPTER 3

PRELIMINARY REVIEWS OF POTENTIAL VIOLATIONS0301 REPORTING SUSPECTED VIOLATIONS

030101. Upon learning of or detecting a possible violation of the Antideficiency Act (hereafter referred to as violation), the individual concerned shall, within 10 working days, report the possible violation to his or her chain of command. The applicable Office of the Assistant Secretary of the Military Department for Financial Management, or the Comptroller or Senior Financial Manager for other Department of Defense (DoD) Components, shall assign a case number to the possible violation and report the following information to the Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer by the fifth business day of the following month:

- A. Accounting classification of funds involved.
- B. Name and location of the activity where the alleged violation occurred.
- C. Name and location of the activity issuing the fund authorization, if different than subparagraph 030101B.
- D. Amount of fund authorization or limitation that allegedly was exceeded.
- E. Amount and nature of the alleged violation.
- F. Date the alleged violation occurred and date discovered.
- G. Means of discovery.
- H. Description of the fact and circumstances of the case.
- I. Anticipated dates of completion of the investigation and submission of the report.
- J. The names and work phone numbers for members of the preliminary investigation team.

0302 PRELIMINARY REVIEWS

★ 030201. Purpose. The purpose of a preliminary review is to gather basic facts and determine whether a violation may have occurred. When a DoD Component has some evidence that a violation may have occurred, preliminary checks of the applicable business transaction and accounting records shall be made to determine whether a potential violation exists. The preliminary review should be done in a timely manner, usually within 90 days **and 30 days for inter-agency potential violations.**

- A. These actions include:
1. Checking for duplications or other errors in recording;
 2. Checking commitments and obligations to ensure they are valid and properly chargeable against the funds involved; and
 3. Checking actual fund status in the account affected at the time the questionable transaction occurred.

B. A preliminary review shall focus on the potential violation and not the corrective actions. If a potential violation occurs at an appropriation level, then an individual meeting the criteria specified in [Chapter 4](#), paragraph 040201, of this volume shall complete the preliminary review.

030202. Interpretation and Legal Issues. The existence of a violation may depend upon an interpretation of statutory or regulatory constraints imposed on the use of a particular appropriation or account, the proper fiscal year to be charged, or similar issues. In all cases, the reviewer shall request and obtain the advice of legal counsel on legal issues raised during the preliminary review.

030203. Review Results. The results of the preliminary review shall be documented in a preliminary review report and forwarded for approval to the applicable Office of the Assistant Secretary of the Military Department for Financial Management, or the Comptroller or Senior Financial Manager for other DoD Components. The preliminary review report shall be coordinated with the applicable DoD Component office of legal counsel. The Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer shall be advised of the results of the preliminary review report. Therefore, DoD Components shall provide the preliminary review report along with DoD Component office of legal counsel coordination to the Under Secretary of Defense (Comptroller) Deputy Chief Financial Officer. If the DoD Component involved determines there is no violation and the DoD Component office of legal counsel concurs, then the preliminary review report completes the actions regarding the potential violation.

030204. Formal Investigations. If the DoD Component involved determines that there is a potential violation, then a formal investigation shall be initiated within 15 business days of the approval of the preliminary review report. The provisions in Chapters [4](#) and [5](#) of this volume shall be followed when conducting a formal investigation. Status and violation report procedures are contained in [Chapter 6](#) and [Chapter 7](#) of this volume, respectively.

0303 PRELIMINARY REVIEWS INITIATED BY THE UNDER SECRETARY OF DEFENSE (COMPTROLLER)

★ 030301. Preliminary Review. When the Office of the Under Secretary of Defense (Comptroller) is apprised of a potential violation by an audit report or otherwise learns of a potential violation, the applicable DoD Component may be requested, by memorandum, to perform a preliminary review of the circumstances surrounding the potential violation in a timely manner, usually within 90 days **and 30 days for inter-agency potential violations.**

030302. When the preliminary review report has been completed and the findings indicate a potential violation, a formal investigation shall be initiated by the applicable DoD Component within 15 business days of the approval of the report. An investigating officer shall be assigned in accordance with the provisions of [Chapter 4](#) of this volume, and the Under Secretary of Defense (Comptroller) shall be advised of the results of the review report.

030303. If the results of the preliminary review indicate that “no violation” occurred, then the preliminary review report completes the actions regarding the potential violation and no further action is required after the report is approved. The results of the review, however, shall be coordinated with the Office of the Under Secretary of Defense (Comptroller).

0304 PRELIMINARY REVIEWS INITIATED AS A RESULT OF EXTERNAL REPORTS

030401. In some cases, the General Accounting Office; DoD Inspector General; a Military Department Audit Agency; or other organizations external to a DoD Component may advise in a report that a potential violation may have occurred. Generally, in the case of audit reports, a recommendation to investigate the potential violation is included in the report.

030402. Within 10 business days of receipt of a draft report that alleges a potential violation, the Office of the Under Secretary of Defense (Comptroller), the Office of the Assistant Secretary of the Military Department for Financial Management, or the Comptroller or Senior Financial Manager for other DoD Components, as applicable, shall request that a preliminary review of the potential violation be initiated within the next 30 days.

030403. In responding to the findings and recommendations in the reports, the DoD Component shall supply the status of the preliminary review or formal investigation as requested by the applicable organization. Otherwise, follow the policies and procedures prescribed in paragraph 0303 for the preliminary review.

0305 ROLE OF THE DoD INSPECTOR GENERAL

030501. The [Inspector General Act of 1978](#) gives the DoD Inspector General the authority to conduct investigations of violations of the Antideficiency Act.

030502. The DoD Inspector General reserves the right to initiate investigations of potential violations of the Antideficiency Act, depending upon the type, amount, or significance of the violation.

030503. The DoD Inspector General may elect to conduct investigations not requested by the Under Secretary of Defense (Comptroller) or other DoD official.

030504. When the DoD Inspector General conducts such investigations, the resultant report shall constitute the official DoD report on the matter; no other DoD Component shall conduct parallel or supplemental investigations unless directed to do so by the Secretary of Defense, Deputy Secretary of Defense, or Under Secretary of Defense (Comptroller).