

## CHAPTER 3

### PRELIMINARY REVIEWS OF POTENTIAL VIOLATIONS

#### A. PRELIMINARY REVIEWS

1. The purpose of a preliminary review is to gather basic facts and determine whether a violation has apparently 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. These actions include checking for duplications or other errors in recording, checking commitments and obligations to ensure they are valid and properly chargeable against the funds involved, and checking actual fund status in the account affected at the time the questionable transaction occurred. A preliminary review shall focus on the potential violation and not the corrective actions. If a potential violation occurs at an appropriation level, the preliminary review shall be completed by an individual meeting the criteria in Section D of Chapter 4 in this Volume.

2. 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 advice of legal counsel shall be requested to address legal issues raised during a preliminary review.

3. The results of the preliminary review shall be documented in a report of preliminary review and provided to an Assistant Secretary of a Military Department for Financial Management; or the Comptroller or Senior Financial Manager of the Joint Staff; Unified Combatant Commands; Inspector General, DoD; Defense Agency; DoD Field Activity; or the Uniformed Services of the University of Health Sciences (hereafter referred to collectively as “DoD Components”) for approval. The preliminary review report shall be coordinated with the applicable DoD Component office of legal counsel.

4. If the DoD Component involved determines that there is a potential violation, a formal investigation shall be initiated within 15 business days of the approval of the report of preliminary review. The provisions in Chapters 4 and 5 shall be followed for conducting a formal investigation. Procedures for reporting progress and the status of investigations are contained in chapter 6. Reporting procedures for violations are discussed in chapter 7.

5. If the DoD Component involved determines that there is no violation, the preliminary review report completes the actions regarding the potential violation. No further action is required after the report is approved.

## B. PRELIMINARY REVIEWS INITIATED BY THE UNDER SECRETARY OF DEFENSE (COMPTROLLER)

1. 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.

2. Once 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.

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

## C. PRELIMINARY REVIEWS INITIATED AS A RESULT OF EXTERNAL REPORTS

1. In some cases, the General Accounting Office; Inspector General (IG), DoD; 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.

2. 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 Assistant Secretary for Financial Management of a Military Department or the Comptroller of a Defense Agency or DoD Field Activity, as applicable, shall request that a preliminary review of the potential violation be initiated within the next 30 days.

3. In responding to the findings and recommendations in the reports, the DoD Component shall provide the status of the preliminary review or formal investigation as requested by the applicable organization.

4. Otherwise, the policies and procedures prescribed in section A., above, for the preliminary review shall apply.

#### D. ROLE OF THE INSPECTOR GENERAL, DOD

1. The Inspector General Act of 1978 provides the Inspector General, DoD, with the authority to conduct investigations of violations of the Antideficiency Act.

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

3. The IG, DoD, may elect to conduct investigations not requested by the Under Secretary of Defense (Comptroller) or other DoD official.

4. When the IG, DoD, 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).