

MEMORANDUM

Date: June 1, 2026
To: Chairman Phil Mendelson, Council of the District of Columbia
From: D.C. Auditor Kathy Patterson
Re: Proposed Hearing on *Reserve Fund Allocations Violated District Law*

I write to recommend that the Council Committee of the Whole schedule a hearing in September on the recent Office of the D.C. Auditor report, [Reserve Fund Allocations Violated District Law](#). I recommend the invited witnesses include Will Singer, Assistant Deputy Auditor for Finance and principal author of the report, and Chief Financial Officer Glen Lee. You might also consider inviting a representative of Attorney General Brian Schwalb as noted in the description below.

The audit found:

- The Office of the Chief Financial Officer (OCFO) unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years, obscuring violations of the District's Anti-Deficiency Act.
- The OCFO allocated Contingency Reserve funds without legal authority.
- The OCFO allocated Contingency Reserve funds:
 - Without independently analyzing the availability of other sources of funds.
 - Without documentation showing the allocation was legally permissible.
 - Without timely notice to the D.C. Council's budget director.
- In two of the 34 allocations we sampled, we found that \$437,961 in Contingency Reserve funds were spent outside the scope of the allocation's purpose.

In written comments on the findings, Mr. Lee contended that his office did not mask violations of the District's Anti-Deficiency Act while fully acknowledging that they took actions that, in fact, mask the violations. This shows a failure to understand the law. Mr. Lee also contends that the OCFO did not act without legal authority but fails to offer any information or evidence of legal authorization for the actions taken. On these two legal points you might wish to invite testimony from the OAG.

I include with this memo examples of the documentation provided in allocating reserve funds to illustrate the absence of analysis on availability of other funds, absence of documentation of the legal authority for the allocation, and in some cases absence of specifics about the allocation's purpose. One

example from the four attached, the Mayor's request to spend \$2.8 million from the Contingency Reserve to purchase police uniforms, offered no justification and the limited analysis acknowledged that other funds were available. Another, to provide \$25 million from the Contingency Reserve for the United Medical Center, was to "fund an operating shortfall" and the CFO analysis noted other funds were available, but the reserve was "the most readily available."

A hearing would bring light to these serious deficiencies in the operations of the OCFO. It would provide you with an opportunity to seek assurances that the deficiencies will be corrected. Because some instances of the masking of Anti-Deficiency Act violations typically occur in the weeks immediately after the end of the fiscal year, a September hearing would be timely.

A hearing could also provide a more general review of the District's reserves and how they are used. The ODCA report recommendations included formal action by elected officials to revise the Comprehensive Financial Management Policy to define appropriate uses of the District's reserves. And the debate on the FY 2027 budget thus far has demonstrated the public's interest in the District's reserves with repeated testimony that funds be used to cover operating expenses for a variety of programs.

Mr. Singer and I would be happy to work with you and your team in planning a hearing to shed light on the ongoing issues with use of District reserves, much as we assisted in your important roundtables last October on overspending by District agencies. Please let me know how we can be of assistance.

Thank you for your consideration.

cc: Councilmembers
Officers of the Council
Blaine Stum, COW

Attachment

MEMORANDUM

TO: File

FROM: Eric M. Cannady
Director for Operating Budget
Office of Budget and Planning

DATE: March 13, 2020

SUBJECT: OCFO Analysis of March 10, 2020 Request for \$1,378,000 Allocation from the Contingency Cash Reserve

On March 10, 2020, the Mayor requested an allocation from the Contingency Cash Reserve, in the amount of \$1,378,000 to the Captive Insurance Agency (“the Captive”), to fund the renewal of the District’s real property insurance policy. This allocation is anticipated to be repaid in full in the FY 2020 Supplemental budget.

This memorandum analyzes (a) the availability of other sources of funding to carry out the purposes of the allocation and (b) the impact of such allocation on the balance and integrity of the Contingency Reserve Fund, as required by D.C. Official Code §1-204.50(b)(5).

Background

Previously, the Captive Trust Fund was considered a local non-lapsing account, allowing its rollover funds to be available for use. On October 22, 2018, the Office of the Chief Financial Officer determined that there was no non-lapsing fund for the Local funds budget of the Captive. This action prevented rollover of unspent prior year’s fund balance in the current fiscal year.

Availability of Other Sources of Funding

Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.

Impact on Balance and Integrity of Contingency Reserve Fund

The \$1,378,000 allocation will have no long-term impact on the integrity of the Contingency Reserve. Use of this allocation will reduce the cash balance of the Reserve by a maximum of \$1,378,000 as it is spent. It is expected that the Reserve will be reimbursed through an FY 2020 Supplemental budget.

Attachment

cc: Jeffrey S. DeWitt, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning
James Spaulding, Associate Deputy Chief Financial Officer, Office of Budget and Planning
Samuel Terry, Interim Director for Financial Planning, Analysis, and Management Services, Office of Budget and Planning
Bruno Fernandes, Deputy Chief Financial Officer and Treasurer
Bill Slack, Deputy Chief Financial Officer for Financial Operations and Systems


GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Budget and Planning



Gordon M. McDonald
Deputy Chief Financial Officer

MEMORANDUM

TO: Jennifer Budoff
Budget Director
Council of the District of Columbia

FROM: Gordon McDonald 
Deputy Chief Financial Officer
Office of Budget and Planning

DATE: March 13, 2020

SUBJECT: Notice of Allocation and Use of Contingency Cash Reserve Fund Budget Authority

In accordance with the Contingency Cash Reserve Notification Act of 2014, D.C. Official Code §1-204.50a, as established by the Fiscal Year 2014 Budget Support Emergency Act of 2013, I am notifying you that the Mayor has requested an allocation and use of Contingency Cash Reserve funds in the amount of \$1,378,000 to the Captive Insurance Agency (“the Captive”). This allocation will fund the renewal of the District’s real property insurance policy. This allocation is anticipated to be repaid in full in the FY 2020 Supplemental budget.

After review of the Mayor’s request, the Office of Budget and Planning completed an analysis of the availability of other sources of funding and the effect of the allocation on the balance and integrity of the fund. A total of \$1,378,000 has been allocated to the Captive as requested by the Mayor.

Attachment

cc: Jeffrey S. DeWitt, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator
Bruno Fernandes, Deputy Chief Financial Officer and Treasurer
Eric M. Cannady, Director, Operating Budget, Office of Budget and Planning
Ronan Gulstone, Director, Office of Policy and Legislative Affairs, Executive Office of the Mayor



MURIEL BOWSER
MAYOR

March 10, 2020

Jeffrey S. DeWitt
Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 203
Washington, DC 20004

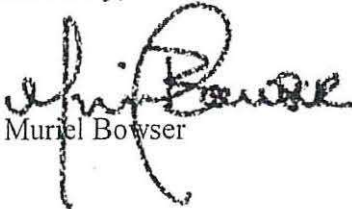
Re: Use of the Contingency Cash Reserve Fund

Mr. DeWitt:

I write to request the use of the District's Contingency Cash Reserve Fund in accordance with section 450A of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.50a). Specifically, I am requesting \$1,378,000 be allocated to the Captive Insurance Agency to fund the renewal of the District's real property insurance policy.

This allocation will be repaid in full in the FY 2020 supplemental budget.

Sincerely,


Muriel Bowser

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Budget and Planning



Gordon M. McDonald
Deputy Chief Financial Officer

MEMORANDUM

TO: File

FROM: Eric M. Cannady
Director for Operating Budget
Office of Budget and Planning

DATE: January 26, 2018

SUBJECT: OCFO Analysis of January 11, 2018 Request for \$2,800,000 Allocation from the Contingency Cash Reserve Fund

On January 11, 2018, the Mayor requested an allocation from the Contingency Cash Reserve Fund (the Reserve) in the amount of \$2,800,000 to the Metropolitan Police Department. The fund will support the uniforms that were ordered in FY 2017 but not delivered until FY 2018. This allocation is anticipated to be repaid through an FY 2018 reprogramming.

This memorandum analyzes (a) the availability of other sources of funding to carry out the purposes of the allocation and (b) the impact of such allocation on the balance and integrity of the Reserve, as required by D.C. Official Code §1-204.50(b)(5).

Background

This request is being made to support payment for Police Officers uniforms that were ordered in FY 2017 but were not delivered until FY 2018.

Availability of Other Sources of Funding

Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be most readily available source to resolve the aforementioned issue.

Impact on Balance and Integrity of the Reserve

The \$2,800,000 allocation will have no long-term impact on the integrity of the Reserve. Use of this allocation will reduce the cash balance of the Reserve by a maximum of \$2,800,000 as it is spent. It is expected that the Reserve will be reimbursed with resources identified for an FY 2018 reprogramming.

Analysis Completed: January 19, 2018

Attachment

cc: Jeffrey S. DeWitt, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning
James Spaulding, Associate Deputy Chief Financial Officer, Office of Budget and Planning
Leticia Stephenson, Director for Financial Planning, Analysis, and Management Services, Office of Budget and Planning
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer, Office of the Chief Financial Officer
Bill Slack, Deputy Chief Financial Officer for Financial Operations and Systems


GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Budget and Planning



Gordon M. McDonald
Deputy Chief Financial Officer

MEMORANDUM

TO: Jennifer Budoff
Budget Director
Council of the District of Columbia

FROM: Gordon McDonald 
Deputy Chief Financial Officer
Office of Budget and Planning

DATE: JAN 23 2018

SUBJECT: Notice of FY 2018 Allocation and Use of Contingency Cash Reserve Fund Budget Authority

In accordance with the Contingency Cash Reserve Notification Act of 2014, D.C. Official Code §1-204.50a, as established by the Fiscal Year 2014 Budget Support Emergency Act of 2013, I am notifying you that the Mayor has requested an allocation and use of Contingency Cash Reserve funds in the amount of \$2,800,000 to the Metropolitan Police Department (MPD). This allocation includes \$2,800,000 to pay for uniforms that were ordered in FY 2017 but not delivered until FY 2018. This allocation is anticipated to be repaid through a reprogramming of underspending throughout the fiscal year.

After review of the Mayor's request, the Office of Budget and Planning completed an analysis of the availability of other sources of funding and the effect of the allocation on the balance and integrity of the fund. A total of \$2,800,000 has been allocated to MPD as requested by the Mayor.

Attachment

cc: Jeffrey S. DeWitt, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer, Office of Finance and Treasury
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator
Eric M. Cannady, Director, Operating Budget, Office of Budget and Planning
Alana Intrieri, Director, Office of Policy and Legislative Affairs, Executive Office of the Mayor



MURIEL BOWSER
MAYOR

January 11, 2018

Jeffrey S. DeWitt
Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 203
Washington, DC 20004

Re: Use of the Contingency Cash Reserve Fund

Mr. DeWitt:

I write to request the use of the District's Contingency Cash Reserve Fund in accordance with section 450A of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.50a). Specifically, I am requesting \$2,800,000 be allocated to the Metropolitan Police Department for uniforms that were purchased in FY 2017, but not able to be received until FY 2018. This allocation will be repaid with a reprogramming of underspending throughout the year.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser".

Muriel Bowser

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER

Office of Budget and Planning



MEMORANDUM

TO: File

FROM: Stacy-Ann White
Director, Operating Budget
Office of Budget and Planning

DATE: August 29, 2023

SUBJECT: OCFO Analysis of August 21, 2023, Request for \$3,000,000 Allocation from the Contingency Cash Reserve

On August 21, 2023, the Mayor requested an allocation from the FY 2023 Contingency Cash Reserve in the amount of \$3,000,000 to the Convention Center Transfer to provide additional budget authority. This allocation was made available to the agency on August 29, 2023. This allocation is anticipated to be repaid with FY 2023 end-of-year underspending.

This memorandum analyzes (a) the availability of other sources of funding to carry out the purposes of the allocation and (b) the impact of such allocation on the balance and integrity of the Contingency Reserve, as required by D.C. Official Code §1-204.50(b)(5).

Background

This request is being made to support a reduction of funds for the FY 2023 Supplemental Budget which created an unexpected deficit that requires restoration.

Availability of Other Sources of Funding

Other sources of budget authority (funding) might have been available; however, the Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue.

Impact on Balance and Integrity of Contingency Reserve Fund

The \$3,000,000 allocation will have no long-term impact on the integrity of the Contingency Reserve. Use of this allocation will reduce the cash balance of the Reserve by a maximum of \$3,000,000 as it is spent. It is expected that the Reserve will be repaid with FY 2023 end-of-year underspending.

Attachment

cc: Glen Lee, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Eric M. Cannady, Deputy Chief Financial Officer, Office of Budget and Planning
Sherrie Greenfield, Associate Deputy Chief Financial Officer, Office of Budget and Planning
Samuel Terry, Director of Financial Planning, Analysis, and Management Services, Office of Budget and Planning
Carmen Pigler, Deputy Chief Financial Officer and Treasurer
Frank Decker, Investment Manager, Office of Finance and Treasury
Jovan Strackovski, Cash and Investment Officer, Office of Finance and Treasury
Kimberly Williams, Deputy Chief Financial Officer for Financial Operations and Systems

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER

Office of Budget and Planning



Eric M. Cannady
Deputy Chief Financial Officer

MEMORANDUM

TO: Jennifer Budoff
Budget Director
Council of the District of Columbia

FROM: Eric M. Cannady
Deputy Chief Financial Officer

DATE: August 30, 2023

SUBJECT: Notice of Allocation and Use of Contingency Cash Reserve Fund Budget Authority

In accordance with the Contingency Cash Reserve Notification Act of 2014, D.C. Official Code §1-204.50a, as established by the Fiscal Year 2014 Budget Support Emergency Act of 2013, I am notifying you that the Mayor has requested an FY 2023 allocation and use of Contingency Reserve funds in the amount of \$3,000,000 to the Convention Center Transfer to provide additional budget authority. This allocation is anticipated to be repaid with end-of-year underspending.

After a review of the Mayor's request, the Office of Budget and Planning completed an analysis of the availability of other sources of funding and the effect of the allocation on the balance and integrity of the fund. A total of \$3,000,000 was allocated to the Convention Center Transfer on August 29, 2023, as requested by the Mayor.

Attachment

cc: Glen Lee, Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator
Carmen Pigler, Deputy Chief Financial Officer and Treasurer
Frank Decker, Investment Manager, Office of Finance and Treasury
Jovan Strackovski, Cash and Investment Officer, Office of Finance and Treasury
Stacy-Ann White, Director, Operating Budget, Office of Budget and Planning
Tommy Wells, Director, Office of Policy and Legislative Affairs, Executive Office of the Mayor
Sarina Loy, Associate Director, Office of Policy and Legislative Affairs, Executive Office of the Mayor



MURIEL BOWSER
MAYOR

August 21, 2023

Glen Lee
Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 203
Washington, DC 20004

Re: Use of the Contingency Cash Reserve Fund

Mr. Lee:

I write to request the use of the District's Contingency Cash Reserve Fund in accordance with section 450A of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.50a). Specifically, I am requesting \$3,000,000 be allocated to the Convention Center Transfer in fiscal year 2023, to provide budget authority.

This allocation will be repaid with end of year underspending.

Sincerely,

A handwritten signature in black ink that reads "Muriel Bowser".

Muriel Bowser

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Budget and Planning



Office of Budget and Planning

MEMORANDUM

TO: File

FROM: Stacy-Ann White *Stacy-Ann White*
Director for Operating Budget
Office of Budget and Planning

DATE: May 11, 2021

SUBJECT: OCFO Analysis of May 10, 2021 Request for \$25,000,000 Allocation from the Contingency Cash Reserve

On May 10, 2020, the Mayor requested an allocation from the Contingency Cash Reserve, in the amount of \$25,000,000 to the Not-For-Profit Hospital Corporation Subsidy (NFPHC) to support operating costs at the United Medical Center. This allocation is anticipated to be repaid through the FY 2021 supplemental budget.

This memorandum analyzes (a) the availability of other sources of funding to carry out the purposes of the allocation and (b) the impact of such allocation on the balance and integrity of the Contingency Reserve Fund, as required by D.C. Official Code §1-204.50(b)(5).

Background

This request was made to support the operating budget shortfall within the United Medical Center.

Availability of Other Sources of Funding

Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.

Impact on Balance and Integrity of Contingency Reserve Fund

The \$25,000,000 allocation will have no long-term impact on the integrity of the Contingency Reserve. However, this allocation will reduce the cash balance of the Reserve by a maximum of \$25,000,000 as it is spent. Therefore, it is expected that the Reserve will be repaid through the FY 2021 supplemental budget.

Attachment

cc: Fitzroy Lee, Interim Chief Financial Officer, Office of the Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Eric M. Cannady, Deputy Chief Financial Officer, Office of Budget and Planning
James Spaulding, Associate Deputy Chief Financial Officer, Office of Budget and Planning
Samuel Terry, Director for Financial Planning, Analysis, and Management Services, Office of Budget and Planning
Carmen Pigler, Deputy Chief Financial Officer, and Treasurer
Bill Slack, Deputy Chief Financial Officer for Financial Operations and System

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
Office of Budget and Planning



Eric M. Cannady
Deputy Chief Financial Officer

MEMORANDUM

TO: Jennifer Budoff
Budget Director
Council of the District of Columbia

FROM: Eric M. Cannady 
Deputy Chief Financial Officer
Office of Budget and Planning

DATE: May 11, 2021

SUBJECT: Notice of Allocation and Use of Contingency Cash Reserve Fund Budget Authority

In accordance with the Contingency Cash Reserve Notification Act of 2014, D.C. Official Code §1-204.50a, as established by the Fiscal Year 2014 Budget Support Emergency Act of 2013, I am notifying you that the Mayor has requested an allocation and use of Contingency Cash Reserve funds in the amount of \$25,000,000 to the Not-For-Profit Hospital Corporation Subsidy (NFPHC). This allocation will support the operating budget shortfall within the United Medical Center. This allocation is anticipated to be repaid through the FY 2021 supplemental budget.

After a review of the Mayor's request, the Office of Budget and Planning completed an analysis of the availability of other funding sources and the effect of the allocation on the balance and integrity of the fund. As a result, a total of \$25,000,000 has been allocated to NFPHC as requested by the Mayor.

Attachment

cc: Fitzroy Lee, Interim Chief Financial Officer
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator
Carmen Pigler, Deputy Chief Financial Officer, Office of Finance and Treasury
Stacy-Ann White, Director, Operating Budget, Office of Budget and Planning
Ronan Gulstone, Director, Office of Policy and Legislative Affairs, Executive Office of the Mayor



MURIEL BOWSER
MAYOR

May 8, 2021

Fitzroy Lee
Interim Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 203
Washington, DC 20004

Re: Use of the Contingency Cash Reserve Fund

Dr. Lee:

I write to request the use of the District's Contingency Cash Reserve Fund in accordance with section 450A of the District of Columbia Home Rule Act (D.C. Official Code § 1-204.50a). Specifically, I am requesting \$25,000,000 be allocated to United Medical Center to fund an operating budget shortfall within the hospital's budget. This allocation will be repaid through the FY 2021 supplemental budget.

Sincerely,

Muriel Bowser