

119TH CONGRESS  
2D SESSION

# H. R. 7824

To extend whistleblower protections to individuals who disclose misuse of Federal funds administered by State and local officials, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2026

Mrs. FISCHBACH (for herself and Mr. FINSTAD) introduced the following bill;  
which was referred to the Committee on Oversight and Government Reform

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## A BILL

To extend whistleblower protections to individuals who disclose misuse of Federal funds administered by State and local officials, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Federal Funds Whis-  
5       tleblower Protection Extension Act”.

1 **SEC. 2. EXTENSION OF WHISTLEBLOWER PROTECTIONS TO**  
 2 **STATE-ADMINISTERED FEDERAL FUNDS.**

3 Subpart F of part III of title 5, United States Code,  
 4 is amended by inserting after chapter 75 the following new  
 5 chapter:

6 **“CHAPTER 76—PROTECTION OF WHISTLE-**  
 7 **BLOWERS IN FEDERALLY FUNDED**  
 8 **STATE PROGRAMS**

“Sec.

“7601. Definitions.

“7602. Prohibited personnel practices.

“7603. Criminal penalties for retaliation.

“7604. Referral for criminal prosecution.

“7605. Federal funding condition.

9 **“§ 7601. Definitions**

10 “In this chapter:

11 “(1) COVERED INDIVIDUAL.—The term ‘cov-  
 12 ered individual’ means any employee, contractor,  
 13 subgrantee, or agent of a State or local government,  
 14 or of a non-Federal entity, administering or receiv-  
 15 ing Federal financial assistance.

16 “(2) COVERED OFFICIAL.—The term ‘covered  
 17 official’ means any officer, employee, or agent of a  
 18 State or local government acting in connection with  
 19 the administration, distribution, or oversight of Fed-  
 20 eral financial assistance.

21 “(3) PROTECTED DISCLOSURE.—The term ‘pro-  
 22 tected disclosure’ means any lawful disclosure of in-

1       formation that the covered individual reasonably be-  
2       lieves evidences—

3               “(A) misuse, waste, fraud, or abuse of  
4       Federal funds;

5               “(B) a violation of Federal law relating to  
6       a federally funded program; or

7               “(C) gross mismanagement of a program  
8       receiving Federal financial assistance.

9   **“§ 7602. Prohibited personnel practices**

10       “(a) A covered official may not take or fail to take  
11   a personnel action against a covered individual because of  
12   a protected disclosure.

13       “(b) For purposes of this section, ‘personnel action’  
14   includes—

15               “(1) termination, suspension, demotion, or reas-  
16       signment;

17               “(2) reduction in pay or benefits;

18               “(3) significant change in duties or responsibil-  
19       ities;

20               “(4) intimidation, threats, or harassment; or

21               “(5) any other materially adverse action.

22   **“§ 7603. Criminal penalties for retaliation**

23       “(a) OFFENSE.—Any covered official who knowingly  
24   retaliates against a covered individual for making a pro-

1 tected disclosure under this chapter shall be subject to  
2 criminal penalties under this section.

3 “(b) PENALTY STRUCTURE.—Penalties shall be im-  
4 posed according to the level of culpability:

5 “(1) NEGLIGENT RETALIATION.—A covered of-  
6 ficial who engages in retaliation due to negligence  
7 shall be fined not more than \$50,000.

8 “(2) KNOWING RETALIATION.—A covered offi-  
9 cial who knowingly engages in retaliation shall be  
10 fined not more than \$100,000, imprisoned not more  
11 than 1 year, or both.

12 “(3) INTENTIONAL RETALIATION FOR PER-  
13 SONAL GAIN OR CONCEALMENT.—A covered official  
14 who retaliates with the intent to conceal misuse of  
15 Federal funds or to obtain personal benefit shall be  
16 fined not more than \$250,000, imprisoned not more  
17 than 5 years, or both.

18 **“§ 7604. Referral for criminal prosecution**

19 “If a Federal agency or Inspector General determines  
20 that there is reasonable cause to believe that retaliation  
21 prohibited under this chapter has occurred, the agency  
22 may refer the matter to the Attorney General for inves-  
23 tigation and criminal prosecution.

1 **“§ 7605. Federal funding condition**

2       “(a) As a condition of receiving Federal financial as-  
3 sistance, each State or local government shall certify com-  
4 pliance with this chapter.

5       “(b) Failure to comply may result in—

6               “(1) corrective action requirements;

7               “(2) suspension of Federal funds;

8               “(3) termination of Federal funding for the af-  
9 fected program.”.

10 **SEC. 3. CONFORMING AMENDMENT.**

11       The table of chapters for part III of title 5, United  
12 States Code, is amended by inserting after the item relat-  
13 ing to chapter 75 the following new item:

**“76. Protection of Whistleblowers in Federally Funded  
State Programs 7601”. .....**

