

119TH CONGRESS
2D SESSION

H. R. 8463

To establish governmentwide requirements for pre-payment fraud prevention actions, to provide the U.S. Treasury appropriate data resources, to facilitate participation in governmentwide anti-fraud data sharing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2026

Mr. COMER (for himself and Mr. ARRINGTON) introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish governmentwide requirements for pre-payment fraud prevention actions, to provide the U.S. Treasury appropriate data resources, to facilitate participation in governmentwide anti-fraud data sharing, 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 “Pre-Payment Fraud
5 Prevention and Treasury Data Access Act”.

1 **SEC. 2. PRE-PAYMENT FRAUD PREVENTION REQUIRE-**
2 **MENTS FOR AGENCIES.**

3 (a) ESTABLISHMENT OF PRE-PAYMENT AGENCY RE-
4 SPONSIBILITIES.—

5 (1) AMENDMENT.—Chapter 33 of title 31,
6 United States Code, is amended by inserting after
7 section 3325 the following:

8 **“§ 3325a. Agency duties for fraud and improper pay-**
9 **ment prevention before the issuance of a**
10 **payment voucher request**

11 “(a) MANDATORY ACTIONS BEFORE ISSUING A PAY-
12 MENT VOUCHER.—The head of an agency, or an officer
13 or employee described in section 3325(a)(1)(B), may not
14 certify a voucher under section 3325 until the following
15 requirements are met:

16 “(1) Each pre-certification requirement de-
17 scribed in subsection (b) for such payment request.

18 “(2) Confirmation is provided that the payment
19 complies with any disbursement requirement and in-
20 struction, including any pre-certification require-
21 ment, published by the Secretary of the Treasury.

22 “(3) Confirmation is provided that any other
23 appropriate payment, account, and payee validation
24 program or service that the Secretary of the Treas-
25 ury, in consultation with the Director, requires to re-
26 duce fraud and an improper payment resulting in fi-

1 nancial loss to the Government, including any agen-
2 cy evaluation of the fraud-risk indicator of a pro-
3 gram required under section 3352 and agency proce-
4 dures required under section 3554(b)(1), have been
5 conducted, in accordance with necessary exceptions
6 for statutory, policy, or operational reasons.

7 “(b) PAYMENT VERIFICATION PRE-CERTIFICATION
8 REQUIREMENTS.—Not later than 180 days after the date
9 of the enactment of this section, and as needed thereafter,
10 the Secretary of the Treasury shall, in consultation with
11 the Director of the Office of Management and Budget,
12 issue regulations, and guidance as necessary, for the pre-
13 certification requirements of this section, for vouchers cer-
14 tified under section 3325, including any deadline for pre-
15 certification information and related records to be sub-
16 mitted to the requisite Treasury official and disbursing of-
17 ficial under subchapter IV of this chapter, before the date
18 of disbursement in order to allow for sufficient time to
19 meet the requirements of this section, including the fol-
20 lowing:

21 “(1) Funds are available at the time the obliga-
22 tion is incurred and if an obligation is incurred when
23 funds are not available, then the agency may not
24 certify the payment voucher.

1 “(2) The amount of the payment and the name
2 of the payee on the payment voucher are correct, in
3 conformance with the prescribed standard format.

4 “(3) A valid social security number, taxpayer
5 identification number, employer identification num-
6 ber, individual taxpayer identification number, or
7 payee ID number is provided for each payee on the
8 voucher, if applicable.

9 “(4) The appropriation or fund from which the
10 payment will be made is available for the purpose
11 described in the voucher and indicated with the ap-
12 propriate Treasury Account Symbol or Business
13 Event Type Code.

14 “(5) A payee is not deceased, if the payment
15 would be improperly made to a deceased payee.

16 “(6) The account number, if any, provided on
17 the payment voucher is held at a financial institu-
18 tion and is open, valid, and belongs to the payee or
19 a valid designee of the payee.

20 “(7) Any other identifier in conformance with
21 the payment verification pre-certification require-
22 ments established by the Secretary of the Treasury,
23 which may include the Procurement Instrument
24 Identified and the Federal Award Identification
25 Number.

1 “(c) RETURN OF PAYMENT VOUCHER.—The Sec-
2 retary, in consultation with the Director, shall issue guid-
3 ance and establish procedures to authorize the Chief Dis-
4 bursing Officer of the Department of the Treasury, or an
5 agency disbursing official, to return to the relevant agency
6 certifying official, including a notification to the agency,
7 any payment or payment voucher issued under section
8 3325 which does not comply with pre-certification
9 verification requirements established under this section as
10 determined by the Secretary.

11 “(d) AGENCY REQUESTS FOR EXEMPTIONS.—The
12 Secretary of the Treasury shall include in the guidance
13 issued under subsection (b), or in other regulations or
14 guidance issued under this chapter, a process for agencies
15 to request exemptions from some or all of the payment
16 verification requirements for specific payments or cat-
17 egories of payments under this section. Any approved ex-
18 emption shall be documented in any related payment
19 voucher certified under section 3325 for the duration of
20 the exemption.”.

21 (2) TECHNICAL AND CONFORMING AMEND-
22 MENT.—The table of sections for chapter 33 of title
23 31, United States Codes, is amended by inserting
24 after the item for section 3325 the following:

“3325a. Agency duties for fraud and improper payment prevention prior to
issuing a payment voucher request.”.

1 (b) AMENDMENT TO RESPONSIBILITIES OF AGENCY
2 CERTIFYING OFFICIAL FOR PAYMENT VOUCHERS.—Sec-
3 tion 3528(a) of title 31, United States Code, is amended—

4 (1) in paragraph (2), by inserting after “of this
5 title” the following: “, including pre-certification re-
6 quirement described in section 3325a”;

7 (2) by redesignating paragraphs (4) and (5) as
8 paragraphs (5) and (6), respectively; and

9 (3) by inserting after paragraph (3) the fol-
10 lowing:

11 “(4) Ensuring that—

12 “(A) the agency has complied with the re-
13 quirements of section 3325a and subchapter IV
14 of this title; and

15 “(B) a covered recipient is in compliance
16 with the reporting requirements under section
17 6107.”.

18 (c) PREPAYMENT REQUIREMENTS OF PAYMENT DIS-
19 BURSING OFFICIALS.—Section 3325 of title 31, United
20 States Code, is amended—

21 (1) in subsection (d) by striking “taxpayer iden-
22 tifying number of each person” and inserting “infor-
23 mation required to be submitted under section
24 3325a(b) of each payee”; and

25 (2) by adding at the end the following:

1 “(e)(1) Before certifying a voucher to a disbursing
 2 official, the head of an agency or an officer or employee
 3 of an agency described in subparagraph (A) or (B) of sub-
 4 section (a)(1), as applicable, shall take necessary actions
 5 to accurately disburse payments to the recipients of those
 6 payments, including by—

7 “(A) verifying the accuracy of the bank ac-
 8 count information to which a payment is to be
 9 disbursed, to the extent practicable; and

10 “(B) comparing the bank account informa-
 11 tion of the proposed recipient to other payment
 12 records available to the agency, to the extent
 13 practicable.

14 “(2) The Secretary of the Treasury shall issue
 15 guidance to carry out this subsection, which may be
 16 carried out through any guidance issued for section
 17 3325a(b).”.

18 (d) REQUIREMENTS AND AUTHORITIES OF PAYMENT
 19 DISBURSING OFFICIALS.—Paragraph (3) of section
 20 3325(a) of title 31, United States Code, is amended—

21 (1) by inserting “, compliance with an order to
 22 pause a payment pursuant to section 3337(b),” after
 23 “except for the correctness of computations on a
 24 voucher”; and

25 (2) by striking “,” and inserting a comma.

1 (e) ADDITION OF FRAUD PREVENTION INDICATORS
2 TO AGENCY IMPROPER PAYMENT RISK ASSESSMENTS.—

3 (1) DEFINITIONS AMENDMENTS.—Section 3351
4 of title 31, United States Code is amended—

5 (A) in paragraph (3)—

6 (i) in the heading, by striking “INI-
7 TIATIVE” and inserting “SYSTEM”;

8 (ii) by striking “Initiative” and insert-
9 ing “System”; and

10 (iii) by striking “initiative” and in-
11 serting “system”; and

12 (B) by adding the following in the appro-
13 priate alphabetical order and redesignating the
14 paragraphs accordingly:

15 “(9) APPROPRIATE AUTHORIZING AND APPRO-
16 PRIATIONS COMMITTEES OF CONGRESS.—The term
17 ‘appropriate authorizing and appropriations commit-
18 tees of Congress’ means the following:

19 “(A) The Committees on Appropriations of
20 the Senate and the House of Representatives.

21 “(B) The Committee on Homeland Secu-
22 rity and Governmental Affairs of the Senate.

23 “(C) The Committee on Oversight and
24 Government Reform of the House of Represent-
25 atives.

1 “(D) The Budget Committee of the House
2 of Representatives and the Committee on the
3 Budget of the Senate.

4 “(D) Any other relevant congressional
5 committee of jurisdiction.

6 “(10) DIRECTOR.—The term ‘Director’ means
7 the Director of the Office of Management and Budg-
8 et.

9 “(11) FRAUD-RISK INDICATOR.—The term
10 ‘fraud-risk indicator’ means an objective data point
11 or analytic signal that indicates an anomalous pay-
12 ment pattern or increase in the volume of a payment
13 amount, a verified data mismatch, network or behav-
14 ioral anomaly, or match identified by the Do Not
15 Pay system and any other payment, account, and
16 payee validation program or service provided by the
17 Department of the Treasury that would result in fi-
18 nancial loss to the Government.”.

19 (2) AMENDMENT.—Section 3352(a)(1) of title
20 31, United States Code, is amended—

21 (A) in subparagraph (A), by striking “;
22 and” and inserting a semicolon;

23 (B) in subparagraph (B), by striking the
24 period at the end and inserting “; and”; and

25 (C) by adding at the end the following:

1 “(C) design and apply fraud-risk indicators
2 to the programs identified under paragraph
3 (A).”.

4 **SEC. 3. TREASURY DO NOT PAY SYSTEM.**

5 (a) AMENDMENT.—Section 3354 of title 31, United
6 States Code, is amended—

7 (1) in the heading, by striking “**Initiative**”
8 and inserting “**System**”;

9 (2) in subsection (a)—

10 (A) by amending paragraph (1) to read as
11 follows:

12 “(1) IN GENERAL.—The head of each executive
13 agency shall establish and maintain appropriate
14 preaward and prepayment procedures to prevent and
15 recover improper payments, including payments re-
16 sulting in financial loss to the Government, and to
17 prevent financial fraud. Such procedures shall in-
18 clude, at a minimum—

19 “(A) screening all persons or entities that
20 receive, or seek to receive, Federal awards or
21 payments against all appropriate Do Not Pay
22 system data assets, including data assets de-
23 scribed in paragraph (2)(a), and risk tools be-
24 fore an award is made or a payment request is

1 submitted to the disbursing officer in accord-
2 ance with section 3325a; and

3 “(B) a periodic review of available data as-
4 sets and notification to the Secretary of any
5 data asset that the agency requires access to,
6 either directly or through the Do Not Pay sys-
7 tem.”;

8 (B) in paragraph (2)—

9 (i) by striking “At a minimum and
10 before issuing any payment or award, each
11 executive agency shall review as appro-
12 priate the following databases to verify eli-
13 gibility of the payment and award:” and
14 inserting the following: “Notwithstanding
15 any other provision of law, including the
16 Internal Revenue Code of 1986, the Social
17 Security Act, and the Personal Responsi-
18 bility and Work Opportunity Reconciliation
19 Act, the Secretary shall have access to the
20 following data assets and incorporate them
21 in the Do Not Pay system, without the
22 need to pursue designation under para-
23 graph (3), for the sole purposes of im-
24 proper payment prevention and detec-
25 tion.”; and

1 (ii) by adding at the end the fol-
2 lowing:

3 “(G) The National Directory of New Hires
4 pursuant to section 453(j) of the Social Secu-
5 rity Act (42 U.S.C. 653(j)).

6 “(H) Information made available to such
7 head pursuant to a request made under section
8 6103(i)(9)(A) of the Internal Revenue Code of
9 1986.

10 “(I) Information made available to the
11 Secretary of Treasury by the Commissioner of
12 Social Security pursuant to section 235 of the
13 Social Security Act.”; and

14 (C) by adding at the end the following:

15 “(3) ADDITIONAL DATA ASSETS.—

16 “(A) DESIGNATION.—The Secretary may
17 designate additional categories of data assets
18 for inclusion in the Do Not Pay system to ad-
19 dress risks of fraud and improper payments.

20 “(B) PRIVACY AND NOTICE.—In desig-
21 nating data assets that include personally iden-
22 tifiable information, law enforcement sensitive
23 information, or information subject to section
24 552a of title 5, the Secretary shall—

1 “(i) act in coordination with the Di-
2 rector of the Office of Management and
3 Budget; and

4 “(ii) provide public notice and an op-
5 portunity for comment for not less than 30
6 days prior to designation.

7 “(C) DATABASE INCLUSION.—Following
8 designation of a category of data assets under
9 subparagraph (A), the Secretary shall provide
10 public notice and an opportunity for comment
11 for not less than 30 days before adding any
12 specific data asset within such category.

13 “(D) NON-SENSITIVE DATA.—Data assets
14 that do not include personally identifiable or
15 law enforcement sensitive information may be
16 added at the discretion of the Secretary without
17 designation if a list of such data sets is dis-
18 closed to the public on a public website main-
19 tained by the Department of the Treasury.

20 “(4) TREATMENT OF DATA MATCHING FOR
21 PURPOSES OF AGENCY USE OF DO NOT PAY SYS-
22 TEM.—For purposes of section 552a of title 5, or
23 any other provision of law, a computerized compari-
24 son of two or more automated Federal systems of
25 records, or a computerized comparison of a Federal

1 system of records with other records or non-Federal
2 records, carried out by the Secretary to verify pay-
3 ments or identify or recover improper payments
4 under this section shall not be considered a match-
5 ing program.

6 “(5) LIMITATION ON USE.—Information ob-
7 tained through the Do Not Pay system may be used
8 solely for the purposes described in paragraph (1),
9 or for Federal or State law enforcement or investiga-
10 tive purposes. Any officer, employee, contractor, sub-
11 contractor, or agent of a Federal or State entity
12 may not publish, examine for a purpose not explic-
13 itly authorized under this section, or communicate
14 such information furnished in such data assets other
15 than in fulfillment of the purposes of this section.

16 “(6) PENALTY FOR UNLAWFUL DISCLOSURE.—
17 Any person described in paragraph (5) who know-
18 ingly and willfully discloses information in violation
19 of that paragraph shall be fined not more than
20 \$5,000, imprisoned not more than 5 years, or both.

21 “(7) EXCEPTION WHEN PAYMENT OTHERWISE
22 REQUIRED UNDER LAW.—The head of an executive
23 agency may be exempt from the requirements of
24 paragraph (1) if a Federal statute expressly requires
25 that a payment or award be made notwithstanding

1 potential ineligibility, and the agency head notifies
2 the Secretary of the Treasury and the Director of
3 the Office of Management and Budget prior to cer-
4 tification of the payment under section 3325.

5 “(8) DEFINITION.—In this section, the term
6 ‘data asset’ has the meaning given that term in sec-
7 tion 3502(17) of title 44.”; and

8 (3) by striking subsections (b) through (e) and
9 inserting the following:

10 “(b) ESTABLISHMENT OF SYSTEM.—The Secretary
11 of the Treasury shall establish and maintain a Do Not
12 Pay system, which shall be administered and operated by
13 the Fiscal Service of the Department of the Treasury. The
14 Do Not Pay system shall include—

15 “(1) the data assets described in subsection
16 (a)(2); and

17 “(2) such other data assets as the Secretary of
18 the Treasury may designate, in consultation with the
19 Director of the Office of Management and Budget,
20 to assist agencies in carrying out subsection (a)(1).

21 “(c) STATE AND OTHER GOVERNMENTAL USE.—

22 “(1) IN GENERAL.—Each State and local gov-
23 ernment administering a federally funded program,
24 and any contractor, subcontractor, or agent thereof,
25 including State and local government auditors, shall

1 establish and maintain appropriate preaward and
2 prepayment procedures to prevent and recover im-
3 proper payments, including payments resulting in fi-
4 nancial loss to the Government, and to prevent fi-
5 nancial fraud. Such procedures shall include, at a
6 minimum—

7 “(A) screening all persons or entities that
8 receive, or seek to receive, Federal awards or
9 payments against all appropriate Do Not Pay
10 system data assets, including data assets de-
11 scribed in subsection (a)(2), and risk tools be-
12 fore an award is made or a payment request is
13 submitted to the disbursing officer; and

14 “(B) periodic review of available data as-
15 sets and notification to the Secretary of any
16 data asset that the agency requires access to,
17 either directly or through the Do Not Pay sys-
18 tem.

19 “(2) OTHER GOVERNMENTAL USE.—The judi-
20 cial and legislative branches of the United States (as
21 defined in section 202(e) of title 18) shall have ac-
22 cess to the Do Not Pay system for purposes of
23 verifying eligibility for payments and preventing
24 fraud and improper payments.

1 “(3) PRIVACY REQUIREMENTS.—The Secretary,
2 in consultation with the Director of the Office of
3 Management and Budget, shall issue guidance estab-
4 lishing privacy and other requirements applicable to
5 such access, consistent with section 552a of title 5.

6 “(d) ANNUAL REPORT.—The Secretary shall submit
7 to the appropriate authorizing and appropriations commit-
8 tees of Congress an annual report on the operation of the
9 Do Not Pay system, which may be included as part of
10 another report submitted to Congress by the Secretary,
11 and which shall include the following:

12 “(1) An evaluation of the effectiveness of the
13 system in reducing improper payments.

14 “(2) Information on the frequency of correc-
15 tions and identification of erroneous data.

16 “(3) Recommendations for legislative or admin-
17 istrative action to enhance the operations of the sys-
18 tem.

19 “(4) An assessment of agency compliance with
20 the requirements of this section, including a listing
21 of all memorandums established with the head of an
22 agency under subsection (a)(4) that documents
23 agency use of the Do Not Pay system.

24 “(e) CONTINUITY AND TRANSITION.—

1 “(1) CONTINUATION OF PREVIOUS SYSTEM IF
2 NECESSARY.—The Do Not Pay initiative in effect on
3 the day before the date of the enactment of this sec-
4 tion shall continue as necessary to support imple-
5 mentation of the Do Not Pay system.

6 “(2) GUIDANCE, RULES, AND PROCEDURES.—
7 Guidance, rules, and procedures in effect before the
8 date of the enactment of this section shall remain in
9 effect until modified by the Secretary or the Director
10 of the Office of Management and Budget.

11 “(3) RULES OF CONSTRUCTION.—Nothing in
12 this subsection may be construed—

13 “(A) except as specifically provided in sub-
14 section (a)(4), to modify or supersede the re-
15 quirements of section 552a of title 5, including
16 the requirements for notice in section
17 552a(e)(12) and for due process rights of an in-
18 dividual under section 552a(p); or

19 “(B) to limit any authority of an Inspector
20 General under applicable law.”.

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
22 The item relating to section 3354 in the table of sections
23 for chapter 33 of title 31, United States Code, is amended,
24 by striking “Initiative” and inserting “Program”.

1 **SEC. 4. SINGLE REPORT ON FIRST TIME USE OF FUNDS BY**
2 **RECIPIENT.**

3 (a) ESTABLISHMENT OF POST-AWARD SINGLE RE-
4 PORT REQUIREMENT ON FIRST-TIME USE OF FUNDS BY
5 RECIPIENT OF FEDERAL AWARD.—Chapter 61 of title 31,
6 United States Code, is amended by adding at the end the
7 following:

8 **“SEC. 6107. SINGLE REPORT ON FIRST TIME USE OF FUNDS**
9 **BY RECIPIENT.**

10 “(a) FEDERAL AWARD REPORTING REQUIRE-
11 MENT.—The head of each agency that administers a cov-
12 ered award shall require each covered recipient to, as a
13 condition of receiving amounts under such award, submit
14 to the head of the agency, not later than 180 days after
15 the receipt of such award unless a deadline exception may
16 be applied pursuant to regulations promul-
17 gated under subsection (b), a one-time report on the use
18 of such amounts that—

19 “(1) includes any content required to be in-
20 cluded in such report pursuant to subsection (b);
21 and

22 “(2) is in the format required under such sub-
23 section.

24 “(b) GOVERNMENTWIDE REPORT REGULATIONS AND
25 GUIDANCE.—

26 “(1) CONTENTS AND FORMAT OF REPORT.—

1 “(A) PROMULGATION.—Not later than 1
2 year after the date of the enactment of this sec-
3 tion, the Director, in coordination with the Sec-
4 retary of the Treasury and the standard-setting
5 agency designated under section 6402(a)(1),
6 shall promulgate regulations, and any clarifying
7 guidance as may be necessary, to establish gov-
8 ernmentwide requirements for the content and
9 format of the report described under subsection
10 (a).

11 “(B) UPDATES.—Any guidance or regula-
12 tion promulgated under subparagraph (A) shall
13 be updated as necessary, but in any case, shall
14 be updated not less often than once every 5
15 years.

16 “(2) REPORT MINIMUM REQUIREMENTS.—The
17 regulations and any clarifying guidance promulgated
18 under paragraph (1), shall at a minimum—

19 “(A) enable the head of an awarding agen-
20 cy to determine whether amounts provided
21 under a covered award are being used by the
22 recipient required to submit the report, and any
23 sub-recipient or sub-grantee thereof, for the in-
24 tended purpose of the program, as set forth in

1 statute, regulation, or policies and procedures
2 of the agency;

3 “(B) enable fraud prevention, detection, in-
4 vestigation, and mitigation, in future awards of
5 Federal funds to the recipient required to sub-
6 mit the report by identifying relevant fraud-risk
7 indicators that would require a referral for in-
8 vestigation and criminal referral to the appro-
9 priate entity of the Federal Government, includ-
10 ing any identified effort by a recipient to de-
11 fraud the Federal Government or violate sec-
12 tions 3729 through 3731 of title 31, United
13 States Code (commonly referred to as the
14 ‘False Claims Act’);

15 “(C) ensure that any sub-recipient or sub-
16 grantee, at any level, of the recipient required
17 to submit the report provide to such recipient
18 such information as may be necessary to enable
19 aggregate reporting on the covered award by
20 the recipient;

21 “(D) require the heads of agencies to apply
22 the governmentwide data standards established
23 under chapter 64 with respect to the format
24 and content of the report required to be sub-
25 mitted;

1 “(E) align with the Federal award report-
2 ing requirements and data standards under the
3 Federal Funding Accountability and Trans-
4 parency Act of 2006 (Public Law 109–282; 31
5 U.S.C. 6101 note), to the maximum extent
6 practicable;

7 “(F) reduce recipient and agency reporting
8 burdens by avoiding duplication in recipient re-
9 porting obligations, to the extent practicable;
10 and

11 “(G) provide clarification for agencies to
12 apply a reporting deadline exception under sub-
13 section (a)(1), which may be made for an entire
14 program or type of covered award, beyond 180
15 days when the use of the covered funds by the
16 covered recipient takes place more than 180
17 days after a receipt of such covered award.

18 “(c) AGENCY REQUIREMENTS.—In accordance with
19 the regulations and any clarifying guidance promulgated
20 under subsection (b), the head of an agency that admin-
21 isters a covered award shall—

22 “(1) update the terms and conditions of Fed-
23 eral awards in the agency programs to implement
24 subsection (a) for covered recipients;

1 “(2) include a summary of the post-award re-
2 reporting requirements established under subsection
3 (a), including the required content and reporting
4 format, in the Notice of Funding Opportunity
5 (which has the meaning given the term in section
6 200.1 of title 2, Code of Federal Regulations) for
7 Federal financial assistance (as defined under sec-
8 tion 7501 of this title) in order to assist applicants
9 for such assistance in understanding post-award re-
10 porting obligations;

11 “(3) to the maximum extent practicable—

12 “(A) provide user-friendly and plain lan-
13 guage directives for covered recipients to fulfill
14 their reporting obligation under subsection (a);
15 and

16 “(B) use existing post-award reporting re-
17 quirements to reduce the burden of cumulative
18 post-award reporting; and

19 “(4) establish procedures within the agency to
20 identify covered recipients that are not in compliance
21 with the reporting requirement under subsection (a).

22 “(d) NONCOMPLIANCE.—For a case in which a cov-
23 ered recipient does not submit the report required by sub-
24 section (a), the awarding agency shall—

1 “(1) provide a timely written notice of non-
2 compliance to the recipient that—

3 “(A) clearly states the reason for non-
4 compliance;

5 “(B) notifies the recipient of the obligation
6 of the agency to cease further disbursements to
7 the entity until the covered recipient is in com-
8 pliance; and

9 “(C) provides clear instructions to the cov-
10 ered recipient on how to come back into compli-
11 ance; and

12 “(2) prevent a payment voucher from being
13 issued under section 3325 for a payment to such re-
14 cipient, for any program funds, until such report is
15 submitted.

16 “(e) AVAILABILITY OF REPORT.—Each report sub-
17 mitted under subsection (a) shall be—

18 “(1) kept on file by the agency for a period of
19 not less than 5 years after the date on the conclu-
20 sion of the duration of the award; and

21 “(2) made available upon request to—

22 “(A) the Director;

23 “(B) the Secretary of the Treasury;

24 “(C) the Attorney General;

1 “(D) the Inspector General of the agency
2 concerned; and

3 “(E) the appropriate congressional com-
4 mittees.

5 “(f) USE OF INFORMATION INCLUDED IN REPORT.—
6 Information included in the report required by subsection
7 (a) shall be used by the agency in support of improper
8 payment activities of the agency under section 3352 as
9 appropriate and applicable.

10 “(g) DEFINITIONS.—In this section:

11 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES.—The term ‘appropriate congressional com-
13 mittees’ means—

14 “(A) the Committees on Appropriations of
15 the Senate and the House of Representatives;

16 “(B) the Committee on Homeland Security
17 and Governmental Affairs of the Senate;

18 “(C) the Committee on Oversight and Gov-
19 ernment Reform of the House of Representa-
20 tives; and

21 “(D) any other relevant congressional com-
22 mittee of jurisdiction.

23 “(2) COVERED AWARD.—The term ‘covered
24 award’ means a Federal award (as defined under

1 section 7501) in an amount not less than \$50,000
2 (based on fiscal year 2027 constant dollars).

3 “(3) COVERED RECIPIENT.—The term ‘covered
4 recipient’ means any entity, including any State, the
5 District of Columbia, and any territory or possession
6 of the United States, including a pass-through entity
7 (as defined under section 7501), that receives the
8 covered award from a particular agency program for
9 the first time in that program’s existence.

10 “(4) FRAUD-RISK INDICATOR.—The term
11 ‘fraud-risk indicator’ means an objective data point
12 or analytic signal that indicates an anomalous pay-
13 ment pattern or increase in the volume of a payment
14 amount, a verified data mismatch, network or behav-
15 ioral anomaly, or match identified by the Do Not
16 Pay system and any other payment, account, and
17 payee validation program or service provided by the
18 Department of the Treasury that would result in fi-
19 nancial loss to the government.”.

20 (b) CLARIFICATION OF APPLICATION OF FIRST RE-
21 PORTING DEADLINE.—The report required under sub-
22 section (a) of section 6107 of title 31, United States Code,
23 as added by subsection (a), shall apply to a covered award
24 made during the fiscal year following the promulgation of

1 regulations or guidance by the Director under subsection
2 (b)(1)(A) of such section.

3 **SEC. 5. U.S. TREASURY DATA ACCESS FOR PURPOSES OF**
4 **PROGRAM INTEGRITY.**

5 (a) ACCESS TO THE NATIONAL DIRECTORY OF NEW
6 HIRES.—Section 453(j) of the Social Security Act (42
7 U.S.C. 653(j)) is amended by adding at the end the fol-
8 lowing:

9 “(12) INFORMATION TO ASSIST IN THE PRE-
10 VENTION OF IMPROPER PAYMENTS.—

11 “(A) IN GENERAL.—The Secretary of the
12 Treasury shall have access to the information in
13 the National Directory of New Hires for the
14 sole purpose of detecting, preventing, and recov-
15 ering improper payments (as defined under sec-
16 tion 3351 of title 31, United States Code), in-
17 cluding for use in the Do Not Pay system es-
18 tablished under section 3354 of title 31, United
19 States Code.

20 “(B) DISCLOSURE.—For the sole purpose
21 of detecting, preventing, and recovering im-
22 proper payments, the Secretary of the Treasury
23 may disclose information in the National Direc-
24 tory of New Hires to—

1 “(i) agents and contractors of the
2 Secretary of the Treasury;

3 “(ii) Federal and non-Federal individ-
4 uals and entities authorized to receive in-
5 formation in the National Directory of
6 New Hires directly from the Secretary;

7 “(iii) entities with access to the Do
8 Not Pay system; and

9 “(iv) such additional individuals and
10 entities as agreed to by the Secretary and
11 the Secretary of the Treasury.”.

12 (b) PRIVACY-PRESERVING VALIDATION OF SELECT
13 TAX INFORMATION.—

14 (1) IN GENERAL.—Section 6103(i) of the Inter-
15 nal Revenue Code of 1986 is amended by adding at
16 the end the following new paragraph:

17 “(9) DISCLOSURE OF CERTAIN RETURN INFOR-
18 MATION FOR USE IN THE DO NOT PAY WORKING
19 SYSTEM.—

20 “(A) IN GENERAL.—Upon execution of a
21 written intra agency agreement between the In-
22 ternal Revenue Service and the office of the De-
23 partment of the Treasury that operates the Do
24 Not Pay system described in section 3354(c) of
25 title 31, United States Code, the Secretary may

1 disclose to any authorized person described in
2 subparagraph (B) return information described
3 in subparagraph (C) with respect to an indi-
4 vidual taxpayer for the applicable period de-
5 scribed in subparagraph (D) for the limited
6 purpose described in subparagraph (E). The
7 Secretary may further authorize the redisclo-
8 sure of such return information by an author-
9 ized person described in subparagraph (B), sub-
10 ject to such terms, conditions, and safeguards
11 as the Secretary determines appropriate, to
12 other authorized persons described in subpara-
13 graph (B) solely for the limited purpose de-
14 scribed in subparagraph (E). The Secretary
15 shall disclose or permit the redisclosure of such
16 return information only to the extent necessary
17 and for the purpose of the Do Not Pay system
18 assisting an authorized person to identify, pre-
19 vent, and recover improper payments.

20 “(B) AUTHORIZED PERSON.—For pur-
21 poses of this paragraph, the term ‘authorized
22 person’ means—

23 “(i) an officer, employee, agent, or
24 contractor of the Department of Treasury,
25 whose official duties require access to the

1 Do Not Pay system for the purpose of fa-
2 cilitating the identification, prevention, or
3 recovery of improper payments, or

4 “(ii) an officer, employee, or con-
5 tractor of an entity authorized to access
6 the Do Not Pay system for the purposes
7 described in subparagraph (E).

8 “(C) RETURN INFORMATION.—The return
9 information that may be disclosed under this
10 paragraph is limited to—

11 “(i) taxpayer identity information,

12 “(ii) filing status,

13 “(iii) adjusted gross income,

14 “(iv) net profit or loss, as reported on
15 Schedule C of Form 1040 (or successor
16 form),

17 “(v) bank account and routing infor-
18 mation,

19 “(vi) if applicable, the fact that there
20 was no return filed,

21 “(vii) the taxable year with respect to
22 which the preceding information relates,
23 and

1 “(viii) any reported identity theft re-
2 lated to the taxpayer identification num-
3 ber.

4 “(D) APPLICABLE PERIOD.—For purposes
5 of this paragraph, the term ‘applicable period’
6 means, with respect to any individual taxpayer,
7 the period—

8 “(i) consisting of the number of tax-
9 able years specified in the agreement en-
10 tered under subparagraph (A), except that
11 such period shall not be fewer than 3 tax-
12 able years, and

13 “(ii) ending with the most recent tax-
14 able year for which the information de-
15 scribed in subparagraph (C) is available.

16 “(E) LIMITATION ON USE OF INFORMA-
17 TION.—Information disclosed under this sub-
18 paragraph shall be solely for the use of the au-
19 thorized persons to whom such information is
20 disclosed and solely for the purpose of detect-
21 ing, preventing, and recovering improper pay-
22 ments.”.

23 (2) CONFORMING AMENDMENTS.—

24 (A) Section 6103(a)(3) of the Internal
25 Revenue Code of 1986 is amended by inserting

1 “subsection (i)(9),” after “subsection
2 (e)(1)(D)(iii),”.

3 (B) Section 6103(p)(4) of such Code is
4 amended—

5 (i) in the matter preceding subpara-
6 graph (A)—

7 (I) by striking “or (7),” and in-
8 serting “(7), or (9),”; and

9 (II) by striking “or (7)(A)(ii),”
10 and inserting “(7)(A)(ii), or (9),”; and

11 (ii) in subparagraph (F)(i), by insert-
12 ing “or (9)” after “(i)(3)(B)(i)”; and

13 (iii) in the matter preceding subclause
14 (I) of subparagraph (F)(ii), by striking
15 “(5) or (7),” and inserting “(5), (7), or
16 (9),”.

17 (C) Section 7213(a)(2) of such Code is
18 amended by striking “or (7)(A)(ii),” and insert-
19 ing “(7)(A)(ii), or (9),”.

20 (3) EFFECTIVE DATE.—The amendments made
21 by this subsection shall apply to any disclosure made
22 after the effective date of this Act.

23 (c) ACCESS TO SOCIAL SECURITY INFORMATION.—
24 Title II of the Social Security Act (42 U.S.C. 401 et seq.)
25 is amended by adding at the end the following new section:

1 **“SEC. 235. DISCLOSURE OF INFORMATION FOR DO NOT PAY**
2 **SYSTEM.**

3 “(a) The Commissioner of Social Security shall enter
4 into an agreement with the Secretary of the Treasury (or
5 his designee) under which—

6 “(1) the Commissioner establishes a reliable, se-
7 cure method, which compares the name and social
8 security account number provided in an inquiry
9 against such information maintained by the Com-
10 missioner in order to confirm (or not confirm, in-
11 cluding the reason for the nonconfirmation) the va-
12 lidity of the information provided;

13 “(2) appropriate safeguards are included to as-
14 sure that the confirmation (or nonconfirmation) is
15 used solely for the use of the authorized persons to
16 whom such information is disclosed and solely for
17 the purpose of using the Do No Pay system to iden-
18 tify, prevent, and recover improper payments, and
19 any redisclosure shall be subject to the provisions of
20 section 3354 of title 31, United States Code; and

21 “(3) the Secretary shall pay the Commissioner
22 of Social Security the full costs (including systems
23 and administrative costs) of providing the confirma-
24 tion described in paragraph (1).

25 “(b) For purposes of this paragraph the term ‘au-
26 thorized person’ means—

1 “(1) an officer, employee, contractor, or agent
2 of the Department of Treasury, whose official duties
3 require access to the Do Not Pay system, or

4 “(2) an officer, employee, or contractor of an-
5 other Federal agency, or a State agency that man-
6 ages Federally funded State-administered programs,
7 whose official duties require access to the Do Not
8 Pay system.”.

9 **SEC. 6. EFFECTIVE DATE.**

10 This Act and the amendments made by this Act shall
11 take effect on the date that is 180 days after the date
12 of the enactment of this Act.

