

## Calendar No. 320

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**H. R. 885**

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2009

Received

JULY 22, 2009

Read twice and referred to the Committee on Homeland Security and  
Governmental Affairs

MARCH 16, 2010

Reported by Mr. LIEBERMAN, with amendments

[Omit the part struck through and insert the part printed in *italie*]**AN ACT**

To elevate the Inspector General of certain Federal entities  
to an Inspector General appointed pursuant to section  
3 of the Inspector General Act of 1978.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Improved Financial and Commodity Markets Oversight  
6 and Accountability Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Elevation of certain Inspectors General to appointment pursuant to section 3 of the Inspector General Act of 1978.
- Sec. 3. Continuation of provisions relating to personnel.
- Sec. 4. Subpoena authority of certain Inspectors General.
- Sec. 5. Corrective responses by heads of certain establishments to deficiencies identified by Inspectors General.
- Sec. 6. Effective date; transition rule.

3 **SEC. 2. ELEVATION OF CERTAIN INSPECTORS GENERAL TO**  
 4 **APPOINTMENT PURSUANT TO SECTION 3 OF**  
 5 **THE INSPECTOR GENERAL ACT OF 1978.**

6 (a) INCLUSION IN CERTAIN DEFINITIONS.—Section  
 7 12 of the Inspector General Act of 1978 (5 U.S.C. App.)  
 8 is amended—

9 (1) in paragraph (1), by striking “or the Fed-  
 10 eral Cochairpersons of the Commissions established  
 11 under section 15301 of title 40, United States  
 12 Code;” and inserting “the Federal Cochairpersons of  
 13 the Commissions established under section 15301 of  
 14 title 40, United States Code; the Chairman of the  
 15 Board of Governors of the Federal Reserve System;  
 16 the Chairman of the Commodity Futures Trading  
 17 Commission; the ~~Chairman~~ *Board* of the National  
 18 Credit Union Administration; the ~~Director~~ *Board of*  
 19 *Directors* of the Pension Benefit Guaranty Corpora-  
 20 tion; or the Chairman of the Securities and Ex-  
 21 change Commission;”; and

1           (2) in paragraph (2), by striking “or the Com-  
2       missions established under section 15301 of title 40,  
3       United States Code,” and inserting “the Commis-  
4       sions established under section 15301 of title 40,  
5       United States Code, the Board of Governors of the  
6       Federal Reserve System, the Commodity Futures  
7       Trading Commission, the National Credit Union Ad-  
8       ministration, the Pension Benefit Guaranty Corpora-  
9       tion, or the Securities and Exchange Commission,”.

10       (b) EXCLUSION FROM DEFINITION OF DESIGNATED  
11       FEDERAL ENTITY.—Section 8G(a)(2) of the Inspector  
12       General Act of 1978 (5 U.S.C. App.) is amended—

13           (1) by striking “the Board of Governors of the  
14       Federal Reserve System,”;

15           (2) by striking “the Commodity Futures Trad-  
16       ing Commission,”;

17           (3) by striking “the National Credit Union Ad-  
18       ministration,”; and

19           (4) by striking “the Pension Benefit Guaranty  
20       Corporation, the Securities and Exchange Commis-  
21       sion,”.

1 **SEC. 3. CONTINUATION OF PROVISIONS RELATING TO PER-**  
2 **SONNEL.**

3 (a) IN GENERAL.—The Inspector General Act of  
4 1978 (5 U.S.C. App.) is amended by inserting after sec-  
5 tion 8L the following:

6 **“SEC. 8M. SPECIAL PROVISIONS CONCERNING CERTAIN ES-**  
7 **TABLISHMENTS.**

8 “(a) DEFINITION.—For purposes of this section, the  
9 term ‘covered establishment’ means the Board of Gov-  
10 ernors of the Federal Reserve System, the Commodity Fu-  
11 tures Trading Commission, the National Credit Union Ad-  
12 ministration, the Pension Benefit Guaranty Corporation,  
13 and the Securities and Exchange Commission.

14 “(b) PROVISIONS RELATING TO ALL COVERED ES-  
15 TABLISHMENTS.—

16 “(1) PROVISIONS RELATING TO INSPECTORS  
17 GENERAL.—In the case of the Inspector General of  
18 a covered establishment, subsections (b) and (c) of  
19 section 4 of the Inspector General Reform Act of  
20 2008 (Public Law 110–409) shall apply in the same  
21 manner as if such covered establishment were a des-  
22 ignated Federal entity under section 8G. An Inspec-  
23 tor General who is subject to the preceding sentence  
24 shall not be subject to section 3(e).

25 “(2) PROVISIONS RELATING TO OTHER PER-  
26 SONNEL.—Notwithstanding paragraphs (7) and (8)

1 of section 6(a), the Inspector General of a covered  
2 establishment may select, appoint, and employ such  
3 officers and employees as may be necessary for car-  
4 rying out the functions, powers, and duties of the  
5 Office of Inspector General of such establishment  
6 and to obtain the temporary or intermittent services  
7 of experts or consultants or an organization of ex-  
8 perts or consultants, subject to the applicable laws  
9 and regulations that govern such selections, appoint-  
10 ments, and employment, and the obtaining of such  
11 services, within such establishment.

12 “(c) PROVISION RELATING TO THE BOARD OF GOV-  
13 ERNORS OF THE FEDERAL RESERVE SYSTEM.—The pro-  
14 visions of subsection (a) of section 8D (other than the pro-  
15 visions of subparagraphs (A), (B), (C), and (E) of para-  
16 graph (1) of such subsection (a)) shall apply to the Inspec-  
17 tor General of the Board of Governors of the Federal Re-  
18 serve System and the Chairman of the Board of Governors  
19 of the Federal Reserve System in the same manner as  
20 such provisions apply to the Inspector General of the De-  
21 partment of the Treasury and the Secretary of the Treas-  
22 ury, respectively.”.

23 (b) CONFORMING AMENDMENT.—Paragraph (3) of  
24 section 8G(g) of the Inspector General Act of 1978 (5  
25 U.S.C. App.) is repealed.

1 **SEC. 4. SUBPOENA AUTHORITY OF CERTAIN INSPECTORS**

2 **GENERAL.**

3 The Inspector General of the Board of Governors of  
4 the Federal Reserve System, the Commodity Futures  
5 Trading Commission, the National Credit Union Adminis-  
6 tration, the Pension Benefit Guaranty Corporation, or the  
7 Securities and Exchange Commission, in carrying out the  
8 provisions of the Inspector General Act of 1978 (5 U.S.C.  
9 App.), is authorized to require by subpoena, from any offi-  
10 cer or employee of a contractor or grantee of the establish-  
11 ment, any officer or employee of a subcontractor or sub-  
12 grantee of such a contractor or grantee, or any person  
13 or entity regulated by the establishment, any records and  
14 testimony necessary in the performance of functions as-  
15 signed to the Inspector General under such Act. Any such  
16 subpoena, in the case of contumacy or refusal to obey,  
17 shall be enforceable by order of any appropriate United  
18 States district court.

19 **SEC. 5. CORRECTIVE RESPONSES BY HEADS OF CERTAIN**

20 **ESTABLISHMENTS TO DEFICIENCIES IDENTI-**

21 **FIED BY INSPECTORS GENERAL.**

22 The Chairman of the Board of Governors of the Fed-  
23 eral Reserve System, the Chairman of the Commodity Fu-  
24 tures Trading Commission, the Chairman of the National  
25 Credit Union Administration, the Director of the Pension

1 Benefit Guaranty Corporation, and the Chairman of the  
2 Securities and Exchange Commission shall each—

3 (1) take action to address deficiencies identified  
4 by a report or investigation of the Inspector General  
5 of the establishment concerned; or

6 (2) certify to both Houses of Congress that no  
7 action is necessary or appropriate in connection with  
8 a deficiency described in paragraph (1).

9 **SEC. 6. EFFECTIVE DATE; TRANSITION RULE.**

10 (a) **EFFECTIVE DATE.**—This Act and the amend-  
11 ments made by this Act shall take effect 30 days after  
12 the date of the enactment of this Act.

13 (b) **TRANSITION RULE.**—An individual serving as In-  
14 spector General of the Board of Governors of the Federal  
15 Reserve System, the Commodity Futures Trading Com-  
16 mission, the National Credit Union Administration, the  
17 Pension Benefit Guaranty Corporation, or the Securities  
18 and Exchange Commission on the effective date of this  
19 Act pursuant to an appointment made under section 8G  
20 of the Inspector General Act of 1978 (5 U.S.C. App.)—

21 (1) may continue so serving until the President  
22 makes an appointment under section 3(a) of such  
23 Act with respect to the Board of Governors of the  
24 Federal Reserve System, the Commodity Futures  
25 Trading Commission, the National Credit Union Ad-

1       ministration, the Pension Benefit Guaranty Corpora-  
2       tion, or the Securities and Exchange Commission, as  
3       the case may be, consistent with the amendments  
4       made by section 2; and

5               (2) shall, while serving under paragraph (1), re-  
6       main subject to the provisions of section 8G of such  
7       Act which, immediately before the effective date of  
8       this Act, applied with respect to the Inspector Gen-  
9       eral of the Board of Governors of the Federal Re-  
10      serve System, the Commodity Futures Trading Com-  
11      mission, the National Credit Union Administration,  
12      the Pension Benefit Guaranty Corporation, or the  
13      Securities and Exchange Commission, as the case  
14      may be, and suffer no reduction in pay.





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**AN ACT**

To elevate the Inspector General of certain Federal entities to an Inspector General appointed pursuant to section 3 of the Inspector General Act of 1978.

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Reported with amendments