

(1) relate to the portions of Cape Hatteras Unit NC-03P and Hatteras Island Unit L03 that are located in Dare County, North Carolina; and

(2) are included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, and referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)).

(c) AVAILABILITY.—The Secretary of the Interior shall keep the maps referred to in subsection (a) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. JONES) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is identical to legislation that I introduced earlier this year, which the House passed last month.

This legislation simply corrects a mapping error that currently excludes Dare County residents from qualifying for Federal flood insurance under the Coastal Barrier Research Act.

Congress adopted the Coastal Barrier Research System in the 1980s to protect the coast from future development. When the North Carolina areas were added to the system, it was Congress' intent for the line to be adjacent to the Cape Hatteras National Seashore boundary, thus allowing certain privately owned structures to remain eligible for flood insurance.

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Unfortunately, the National Park Service incorrectly identified the boundary, which resulted in inaccurate maps. This error incorrectly puts approximately 200 landowners in harm's way, especially during hurricane season.

With Hurricanes Dennis and Floyd recently wreaking havoc on the Outer Banks of Eastern North Carolina, this legislation is a justified step forward in providing the necessary assistance to the landowners in Dare County. Currently, these residents have been left unprotected by the inability of the Federal Government to appropriately manage the Coastal Barrier Resource System.

With the assistance of Senator HELMS, the Committee on Resources, and the Fish and Wildlife Service, we have been able to work towards a solution that all sides can agree to. With the help of the gentleman from Alaska (Mr. YOUNG) and the gentleman from New Jersey (Mr. SAXTON), we were able to pass this legislation through the House earlier this year. Passing Senate 1398 today will complete the work we all started a year ago.

The importance of passing this legislation could not be more timely after one of the worst hurricane seasons in

recent history. I would hope and encourage my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, let me say at the outset that I very much appreciate the cooperation of the gentleman from New Jersey (Mr. SAXTON) and the gentleman from North Carolina (Mr. JONES) and their staffs for working with us to shape this legislation.

I am satisfied that the boundary changes authorized in this bill are legitimate technical corrections which will resolve the past mapping errors and boundary discrepancies, and I urge the passage of this legislation.

The Coastal Barrier Resources System is critical to the long-term protection of the Nation's coastal resources, and we must remain vigilant to protect it from unwarranted encroachment.

All this bill would do is substitute a final series of revised maps to replace an earlier series already approved by the House when it passed H.R. 1431 on September 21. This bill would authorize the final agreed upon maps.

Let me say from the start, I very much appreciate the cooperation of Mr. SAXTON and his staff in working with the minority in shaping this legislation. I am satisfied that the boundary changes authorized in this bill are legitimate technical corrections which would resolve past mapping errors and boundary discrepancies.

Moreover, we have been assured by both the Fish and Wildlife Service and the National Park Service that these new boundaries accurately depict the boundaries of the Cape Hatteras National Seashore. Hopefully this will eliminate any future confusion regarding this matter.

We also have made sure that none of the coastal barrier units labeled as LO3 have been changed in any way to reduce their spatial areas. And importantly, we have also added approximately 2,300 acres of additional coastal barrier lands to the "otherwise protected area" labeled as NC03-P. I want to thank Mr. SAXTON and the gentleman from North Carolina, Mr. JONES, for agreeing to this addition.

Experience has made me necessarily cautious when it comes to modifying any coastal barrier boundary. But in this case, I believe we have gotten it right. I urge my colleagues to support this legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the Senate bill, S. 1398.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on S. 1398, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

GOVERNMENT WASTE CORRECTIONS ACT OF 1999

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1827) to improve the economy and efficiency of Government operations by requiring the use of recovery audits by Federal agencies, as amended.

The Clerk read as follows:

H.R. 1827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Waste Corrections Act of 1999".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) Overpayments are a serious problem for Federal agencies, given the magnitude and complexity of Federal operations and documented and widespread financial management weaknesses. Federal agency overpayments waste tax dollars and detract from the efficiency and effectiveness of Federal operations by diverting resources from their intended uses.

(2) In private industry, overpayments to providers of goods and services occur for a variety of reasons, including duplicate payments, pricing errors, and missed cash discounts, rebates, or other allowances. The identification and recovery of such overpayments, commonly referred to as "recovery auditing and activity", is an established private sector business practice with demonstrated large financial returns. On average, recovery auditing and activity in the private sector identify overpayment rates of 0.1 percent of purchases audited and result in the recovery of \$1,000,000 for each \$1,000,000,000 of purchases.

(3) Recovery auditing and recovery activity already have been employed successfully in limited areas of Federal activity. They have great potential for expansion to many other Federal agencies and activities, thereby resulting in the recovery of substantial amounts of overpayments annually. Limited recovery audits conducted by private contractors to date within the Department of Defense have identified errors averaging 0.4 percent of Federal payments audited, or \$4,000,000 for every \$1,000,000,000 of payments. If fully implemented within the Federal Government, recovery auditing and recovery activity have the potential to recover billions of dollars in Federal overpayments annually.

(b) PURPOSES.—The purposes of this Act are the following:

(1) To ensure that overpayments made by the Federal Government that would otherwise remain undetected are identified and recovered.

(2) To require the use of recovery audit and recovery activity by Federal agencies.

(3) To provide incentives and resources to improve Federal management practices with the goal of significantly reducing Federal overpayment rates and other waste and error in Federal programs.

SEC. 3. ESTABLISHMENT OF RECOVERY AUDIT REQUIREMENT.

(a) ESTABLISHMENT OF REQUIREMENT.—Chapter 35 of title 31, United States Code, is amended by adding at the end the following:

"SUBCHAPTER VI—RECOVERY AUDITS

"§ 3561. Definitions

"In this subchapter, the following definitions apply:

"(1) DIRECTOR.—The term 'Director' means the Director of the Office of Management and Budget.

"(2) DISCLOSE.—The term 'disclose' means to release, publish, transfer, provide access to, or otherwise divulge individually identifiable information to any person other than the individual who is the subject of the information.

"(3) INDIVIDUALLY IDENTIFIABLE INFORMATION.—The term 'individually identifiable information' means any information, whether oral or recorded in any form or medium, that identifies the individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify the individual.

"(4) OVERSIGHT.—The term 'oversight' means activities by a Federal, State, or local governmental entity, or by another entity acting on behalf of such a governmental entity, to enforce laws relating to, investigate, or regulate payment activities, recovery activities, and recovery audit activities.

"(5) PAYMENT ACTIVITY.—The term 'payment activity' means an executive agency activity that entails making payments to vendors or other nongovernmental entities that provide property or services for the direct benefit and use of an executive agency.

"(6) RECOVERY AUDIT.—The term 'recovery audit' means a financial management technique used to identify overpayments made by executive agencies with respect to vendors and other entities in connection with a payment activity, including overpayments that result from any of the following:

"(A) Duplicate payments.

"(B) Pricing errors.

"(C) Failure to provide applicable discounts, rebates, or other allowances.

"(D) Inadvertent errors.

"(7) RECOVERY ACTIVITY.—The term 'recovery activity' means activity otherwise authorized by law, including chapter 37 of this title, to attempt to collect an identified overpayment—

"(A) within 180 days after the date the overpayment is identified; and

"(B) through established professional practices.

"§ 3562. Recovery audit requirement

"(a) IN GENERAL.—Except as exempted by the Director under section 3565(d) of this title, the head of each executive agency—

"(1) shall conduct for each fiscal year recovery audits and recovery activity with respect to payment activities of the agency if such payment activities for the fiscal year total \$500,000,000 or more (adjusted by the Director annually for inflation); and

"(2) may conduct for any fiscal year recovery audits and recovery activity with respect to payment activities of the agency if such payment activities for the fiscal year total less than \$500,000,000 adjusted by the Director annually for inflation).

"(5) PROCEDURES.—In conducting recovery audits and recovery activity under this section, the head of an executive agency—

"(1) shall consult and coordinate with the Chief Financial Officer and the Inspector General of the agency;

"(2) shall implement this section in a manner designed to ensure the greatest financial benefit to the Government;

"(3) may conduct recovery audits and recovery activity internally in accordance with the standards issued by the Director under section 3565(b)(2) of this title, or by procuring performance of recovery audits, or by any combination thereof; and

"(4) shall ensure that such recovery audits and recovery activity are carried out consistent with the standards issued by the Director and section 3565(b)(2) of this subchapter.

"(c) SCOPE OF AUDITS.—(1) Each recovery audit of a payment activity under this section shall cover payments made by the payment activity in a fiscal year, except that the first recovery audit of a payment activity shall cover payments made during the 2 consecutive fiscal years preceding the date of the enactment of the Government Waste Corrections Act of 1999.

"(2) The head of an executive agency may conduct recovery audits of payment activities for additional preceding fiscal years if determined by the agency head to be practical and cost-effective.

"(d) RECOVERY AUDIT CONTRACTS.—

"(1) AUTHORITY TO USE CONTINGENCY CONTRACTS.—Notwithstanding section 3302(b) of this title, as consideration for performance of any recovery audit procured by an executive agency, the executive agency, the executive agency may pay the contractor an amount equal to a percentage of the total amount collected by the United States as a result of overpayments identified by the contractor in the audit.

"(2) ADDITIONAL FUNCTIONS OF CONTRACTOR.—(A) In addition to performance of a recovery audit, a contract for such performance may authorize the contractor (subject to subparagraph (B)) to—

"(i) notify any person of possible overpayments made to the person and identified in the recovery audit under the contract; and

"(ii) respond to questions concerning such overpayments.

"(B) A contract for performance of a recovery audit shall not affect—

"(i) the authority of the head of an executive agency under the Contract Disputes Act of 1978 and other applicable laws including the authority to initiate litigation or referrals for litigation or;

"(ii) the requirements of sections 3711, 3716, 3718, and 3720 of this title that the head of an agency resolve disputes, compromise or terminate overpayment claims, collect by setoff, and otherwise engage recovery activity with respect to overpayments identified by the recovery audit.

"(3) LIMITATION ON AUTHORITY.—Nothing in this subchapter shall be construed to authorize a contractor with an executive agency to require the production of any record or information by any person other than an officer, employee, or agent of the executive agency.

"(4) REQUIRED CONTRACT TERMS AND CONDITIONS.—The head of an executive agency shall include in each contract for procurement of performance of a recovery audit requirements that the contractor shall—

"(A) protect from disclosure otherwise confidential business information and financial information;

"(B) provide to the head of the executive agency and the Inspector General of the executive agency periodic reports on conditions giving rise to overpayments identified by the contractor and any recommendations on how to mitigate such conditions.

"(C) notify the head of the executive agency and the agency of any overpayments identified by the contractor pertaining to the executive agency or to another executive agency that are beyond the scope of the contract; and

"(D) promptly notify the head of the executive agency and the Inspector General of the executive agency of any indication of fraud or other criminal activity discovered in the course of the audit.

"(5) EXECUTIVE AGENCY ACTION FOLLOWING NOTIFICATION.—The head of an executive agency shall take prompt and appropriate action in response to a notification by a contractor pursuant to the requirements under paragraph (4) including forwarding to other executive agencies any information that applies to them.

"(6) CONTRACTING REQUIREMENTS.—Prior to contracting for any recovery audit, head of an executive agency shall conduct a public-private cost comparison process. The outcome of the cost comparison process shall determine whether the recovery audit is performed in-house or by a contractor.

"(e) INSPECTORS GENERAL.—Nothing in this subchapter shall be construed as diminishing the authority of any Inspector General, including such authority under the Inspector General Act of 1978.

"(f) PRIVACY PROTECTIONS.—

"(1) LIMITATION ON DISCLOSURE OF INDIVIDUALLY IDENTIFIABLE INFORMATION.—(A) Any non-governmental entity that obtains individually identifiable information through performance of recovery auditing or recovery activity under this chapter may disclose that information only for the purpose of such auditing or activity, respectively, and oversight of such auditing or activity, unless otherwise authorized by the individual that is the subject of the information.

"(B) Any person that violates subparagraph (A) shall be liable for any damages (including non-pecuniary damages, costs, and attorneys fees) caused by the violation.

"(2) DESTRUCTION OR RETURN OF INFORMATION.—Upon the conclusion of the matter or need for which individually identifiable information was disclosed in the course of recovery auditing or recovery activity under this chapter performed by a non-governmental entity, the non-governmental entity shall either destroy the individually identifiable information or return it to the person from whom it was obtained, unless another applicable law requires retention of the information.

"§ 3563. Disposition of amounts collected

"(a) IN GENERAL.—Notwithstanding section 3302(b) of this title, the amounts collected annually by the United States as a result of recovery audits by an executive agency under this subchapter shall be treated in accordance with this section.

"(b) USE FOR RECOVERY AUDIT COSTS.—Amounts referred to in subsection (a) shall be available to the executive agency—

"(1) to pay amounts owed to any contractor for performance of the audit; and

"(2) to reimburse any applicable appropriation for other recovery audit costs incurred by the executive agency with respect to the audit.

"(c) USE FOR MANAGEMENT IMPROVEMENT PROGRAM.—Of the amount referred to in subsection (a), a sum not to exceed 25 percent of such amount—

"(1) shall be available to the executive agency to carry out the management improvement program of the agency under section 3564 of this title;

"(2) may be credited for that purpose by the agency head to any agency appropriations that are available for obligation at the time of collection; and

“(3) shall remain available for the same period as the appropriations to which credited.

“(d) REMAINDER TO TREASURY.—Of the amount referred to in subsection (a), there shall be deposited into the Treasury as miscellaneous receipts a sum equal to—

“(1) 50 percent of such amount; plus
“(2) such other amounts as remain after the application of subsections (b) and (c).

“(e) LIMITATION ON APPLICATION.—
“(1) IN GENERAL.—This section shall not apply to amounts collected through recovery audits and recovery activity to the extent that such application would be inconsistent with another provision of law that authorizes crediting of the amounts to a non-appropriated fund instrumentality, revolving fund, working capital fund, trust fund, or other fund or account.

“(2) SUBSECTIONS (c) AND (d).—Subsections (c) and (d) shall not apply to amounts collected through recovery audits and recovery activity, to the extent that such amounts are derived from an appropriation or fund that remains available for obligation at the time the amounts are collected.

“§ 3564. Management improvement program

“(a) CONDUCT OF PROGRAM.—
“(1) REQUIRED PROGRAMS.—The head of each executive agency that is required to conduct recovery audits under section 3562 of this title shall conduct a management improvement program under this section, consistent with guidelines prescribed by the Director.

“(2) DISCRETIONARY PROGRAMS.—The head of any other executive agency that conducts recovery audits under section 3562 that meet the standards issued by the Director under section 3565(b)(2) may conduct a management improvement program under this section.

“(b) PROGRAM FEATURES.—In conducting the program, the head of the executive agency—

“(1) shall, as the first priority of the program, address problems that contribute directly to agency overpayments; and

“(2) may seek to reduce errors and waste in other executive agency programs and operations by improving the executive agency's staff capacity, information technology, and financial management.

“(c) INTEGRATION WITH OTHER ACTIVITIES.—The head of an executive agency—

“(1) subject to paragraph (2), may integrate the program under this section, in whole or in part, with other management improvement programs and activities of that agency or other executive agencies; and

“(2) must retain the ability to account specifically for the use of amounts made available under section 3563 of this title.

“§ 3565. Responsibilities of the Office of Management and Budget

“(a) IN GENERAL.—The Director shall coordinate and oversee the implementation of this subchapter.

“(b) GUIDANCE.—

“(1) IN GENERAL.—The Director, in consultation with the Chief Financial Officers Council and the President's Council on Integrity and Efficiency, shall issue guidance and provide support to agencies in implementing the subchapter. The Director shall issue initial guidance not later than 180 days after the date of enactment of the Government Waste Corrections Act of 1999.

“(2) RECOVERY AUDIT STANDARDS.—The Director shall include in the initial guidance under this subsection standards for the performance of recovery audits under this subchapter, that are developed in consultation with the Comptroller General of the United States and private sector experts on recovery audits.

“(c) FEE LIMITATIONS.—The Director may limit the percentage amounts that may be

paid to contractors under section 3562(d)(1) of this title.

“(d) EXEMPTIONS.—

“(1) IN GENERAL.—The Director may exempt an executive agency, in whole or in part, from the requirement to conduct recovery audits under section 3562(a)(1) of this title if the Director determines that compliance with such requirement—

“(A) would impede the agency's mission; or
“(B) would not be cost-effective.

“(2) REPORT TO CONGRESS.—The Director shall promptly report the basis of any determination and exemption under paragraph (1) to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate.

“(e) REPORTS.—

“(1) IN GENERAL.—Not later than 1 year after the date of the enactment of the Government Waste Corrections Act of 1999, and annually for each of the 2 years thereafter, the Director shall submit a report on implementation of the subchapter to the President, the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Appropriations of the House of Representatives and of the Senate.

“(2) CONTENTS.—Each report shall include—

“(A) a general description and evaluation of the steps taken by executive agencies to conduct recovery audits, including an inventory of the programs and activities of each executive agency that are subject to recovery audits.

“(B) an assessment of the benefits of recovery auditing and recovery activity, including amounts identified and recovered (including by administrative setoffs).

“(C) an identification of best practices that could be applied to future recovery audits and recovery activity.

“(D) an identification of any significant problems or barriers to more effective recovery audits and recovery activity;

“(E) a description of executive agency expenditures in the recovery audit process.

“(F) a description of executive agency management improvement programs under section 3564 of this title; and

“(G) any recommendations for changes in executive agency practices or law or other improvements that the Director believes would enhance the effectiveness of executive agency recovery auditing.

“§ 3566. General Accounting Office reports

“Not later than 60 days after issuance of each report under section 3565(e) of this title, the Comptroller General of the United States shall submit a report on the implementation of this subchapter to the Committee on Government Reform of the House of Representatives, the Committee on Governmental Affairs of the Senate, the Committee on Appropriations of the House of Representatives and of the Senate, and the Director.”

(b) APPLICATION TO ALL EXECUTIVE AGENCIES.—Section 3501 of title 31, United States Code, is amended by inserting “and subchapter VI of this chapter” after “section 3513”.

(c) DEADLINE FOR INITIATION OF RECOVERY AUDITS.—The need of each executive agency shall begin the first recovery audit under section 3562(a)(1) title 31, United States Code, as amended by this section, for each payment activity referred to in those sections by not later than 18 months after the date of the enactment of this Act.

(d) CLERICAL AMENDMENT.—The analysis at the beginning of chapter 35 of title 31, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VI—RECOVERY AUDITS

“3561. Definitions.

“3562. Recovery audit requirement.

“3563. Disposition of amounts collected.

“3564. Management improvement program.

“3565. Responsibilities of the Office of Management and Budget.

“3566. General Accounting Office reports.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. TURNER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

GENERAL LEAVE

Mr. HORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1827, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1827 would require executive branch departments and agencies to use a process called recovery auditing to review Federal payment transactions in order to identify erroneous overpayments.

H.R. 1827, the Government Waste Corrections Act, which was authored by the gentleman from Indiana (Mr. BURTON), the chairman of the full Committee on Government Reform; and he was joined in that by the majority leader, the gentleman from Texas (Mr. ARMEY) and the gentleman from California (Mr. OSE), who is an active member of the Subcommittee on Government Management, Information and Technology, which I chair.

This act represents a milestone in the effort to reduce widespread fraud, waste and error in Federal programs that cost taxpayers billions of dollars every year. At a Committee on Government Reform hearing on government waste and mismanagement last February, Inspectors General from the Departments of Health and Human Services, Housing and Urban Development, and Agriculture testified about their major program and management problems. One of the more serious problems they identified was that of erroneous payments.

It is estimated that a total of about \$15 billion was erroneously paid out of Medicare, food stamps and housing programs in 1 year alone. Close to \$13 billion of that was in the Medicare program. How much of this is due to fraud versus human or technical error is unknown at this point.

In addition, on March 31, 1999, the subcommittee I chair examined the government-wide consolidated financial statement for fiscal year 1998. The General Accounting Office, which is part of the legislative branch and does both programmatic and fiscal auditing, found that among the most serious errors of waste were the billions of dollars in improper payments the government makes to its contractors, vendors and suppliers.

Most Federal overpayments go undetected because agencies do not track and report their improper payments, and there is currently no law requiring them to do so. Every year, however, this problem wastes huge amounts of taxpayers' dollars, and that is what we are committed to end. Such waste detracts from the efficiency and effectiveness of Federal operations by diverting resources from their intended uses.

H.R. 1827 addresses the problem of inadvertent overpayments using a proven private-sector business practice known as recovery auditing to identify and recover the overpayments made to private vendors. A typical recovery audit works like this: An agency's purchases and payments are reviewed, usually by customized software, which is used across the country in private business such as those auditing private health plans. Firms similar to Blue Shield/Blue Cross, would utilize software designated to scan a hospital bill for a particular disease. If that disease required certain processes, they ought to be in that billing. If other processes not relevant would cause a close examination of the bill. So the same with other agencies to identify where overpayments may have occurred.

Typical errors include such things as vendor pricing mistakes, missed discounts, duplicate payments and so on down the line. Once an error is identified and verified by the agency, a notification letter is sent to the vendor for review and response. Recoveries are usually made through administrative offsets or direct payments.

Under H.R. 1827, agencies would be required to use recovery auditing if they spend \$500 million or more annually for the purchase of goods and services for the agency's direct benefit. The bill encourages agencies to use recovery auditing for all procurements, regardless of the amount of the transaction.

The bill only applies recovery auditing to an agency's spending for direct contracting; in other words, when an agency purchases goods and services that directly benefit the agency or will be used by that agency. Examples of direct contracting include payments made to a contractor to build a new Veterans Hospital or payments made by the Defense Department for the purchase of a new weapon system.

H.R. 1827 would not require recovery auditing for programs that involve payments to third parties for the delivery of indirect services, such as education or drug treatment grants or payments to intermediaries who administer the Medicaid program. In these programs, Federal payments must make their way through any number of entities—including States, localities, and other entities—before the service is actually delivered to the general population. These payment systems are often so complex that it is uncertain at this time where and how the recovery audit procedure would best be applied.

Mr. Speaker, it is important to note that this legislation addresses the problems that cause the overpayments. The bill requires agencies to use part of the money they recover to work on improvements to their management and financial systems. We had a similar incentive in the Debt Collection Act of 1996, which I authored, and it has worked very well. The more they do and collect, and they do it efficiently, they can use some of the funds to improve their collection services.

As a priority, departments and agencies would have to work to improve overpayment error rates, but the money could also be used to make improvements to the agency's staff capacity, information technology and financial management functions. The bill would also send at least 50 percent of recovered overpayments back to The Treasury, making this bill a win-win for the government and, even more important, the American people the taxpayers.

Mr. Speaker, H.R. 1827 is a very important step in our efforts to increase the accountability of the Federal Government, and I am pleased to be here to support this legislation and urge my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. TURNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 1827, the Government Waste Corrections Act of 1999. I want to first commend the chairman of the full committee, the gentleman from Indiana (Mr. BURTON), and the ranking member, the gentleman from California (Mr. WAXMAN), as well as the chairman of the subcommittee, the gentleman from California (Mr. HORN), for their work and leadership in bringing this proposal to the floor.

Mr. Speaker, it was shocking for our committee to learn that every year Federal agencies pay out millions of dollars to vendors and to government contractors that the agencies do not even owe. For example, between 1994 and 1998, private-sector defense contractors voluntarily returned to the government almost a billion dollars. Even more alarming is the fact that the government, the Department of Defense, did not even know that these overpayments had been made.

No matter how efficient a financial management system is, overpayments do occur. And, in fact, the larger the volume of purchases, which in the case of the Department of Defense is in the billions of dollars, the greater the likelihood of overpayments. This legislation addresses this problem by requiring Federal agencies to use a financial management tool that is called recovery auditing.

Recovery auditing is used to identify overpayments due to financial system weaknesses, problems with fundamental recordkeeping and financial reporting, incomplete documentation, and other weaknesses in a financial ac-

counting system. It has been used very successfully by the automobile, retail, and food services industries in our country for more than 30 years. It is currently employed by the majority of the Fortune 500 companies. However, only a very few Federal agencies have utilized the process.

One agency that has used recovery auditing is the Army and Air Force Exchange Service, which recovered \$25 million in overpayments through recovery auditing in 1998.

H.R. 1827 would require Federal agencies to conduct recovery auditing on all payment activities over \$500 million annually on goods and services for the use or direct benefit of the agency. Recovery audits would be optional for other payment activities.

This bill provides that the contractors simply identify potential overpayments. They have no authority to make determinations or to take collective action. These functions remain at all times with the agency itself. Audits are to be structured to produce the greatest financial gain to the government and must comply with a recovery audit standard to be set forth by the director of the Office of Management and Budget.

Agencies would be authorized to conduct recovery audits in house, contract with private recovery specialists, or use any combination of the two. The agency head would have the authority to use contingency contracts, whereby a contractor would be allowed to retain a percentage of collections from the overpayments they identify during the audit. The agency head would also be free to adopt compensation arrangements other than contingency fees. The bill provides the amounts recovered will be available to pay for a recovery audit contractor or to reimburse appropriations for recovery audit costs incurred by the agency.

At least 50 percent of the overpayments recouped will go back to the general treasury of the government. Up to 25 percent of the overpayments recouped may be used for a management improvement program designed to prevent future overpayments and waste at the agency.

During the subcommittee markup on this bill, a number of concerns were discussed regarding reservations that the health care industry had about this bill. At that time, we, as a committee, pledged to work out a solution to those concerns before full markup. In keeping with that commitment, on November 10 the gentleman from Indiana (Mr. BURTON) offered an amendment in the nature of a substitute which limited this bill to direct services to the government.

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It is my understanding that this substitute alleviated the concerns that were expressed by the health care industry.

Also, at the full committee I offered an amendment which the committee

adopted relating to privacy protections for individually identifiable information. This amendment will provide safeguards and remedies to people who might have had their records misused by private recovery auditing firms.

Additionally, the gentleman from California (Mr. WAXMAN), the ranking member, offered an amendment which was also adopted by the committee which ensures that the agency head will conduct a public-private cost comparison before deciding to contract for recovery auditing services on the outside.

I appreciate the bipartisan manner that both of these amendments were negotiated under and which H.R. 1827 passed out of the committee on a voice vote.

Mr. Speaker, H.R. 1827 represents a significant step toward dealing with the billions of dollars in Federal overpayments that our committee discovered were made every year. I am pleased to be a cosponsor. Recovery auditing is simply good government.

I again commend the gentleman from Indiana (Chairman BURTON), the gentleman from California (Mr. WAXMAN), and the gentleman from California (Chairman HORN) for their leadership on the bill.

I urge the House to adopt H.R. 1827.

Mr. Speaker, I reserve the balance of my time.

Mr. HORN. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, as the author of the bill, I have just been informed that one of our colleagues has some minor problems with the bill. In order to accommodate him, what I would like to do, with unanimous consent of the House, is to withdraw the bill at this time, try to correct any differences that we have, and then bring the bill up later today. I think we can do that in a relatively short period of time.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. HORN) needs to withdraw the motion.

Mr. HORN. Mr. Speaker, I ask unanimous consent to withdraw the motion to suspend the rules.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The motion is withdrawn.

EXPORT ENHANCEMENT ACT OF 1999

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3381) to reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, and for other purposes.

The SPEAKER pro tempore. Is there objection to consideration of the motion at this time?

There was no objection.

The Clerk read as follows:

H.R. 3381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export Enhancement Act of 1999".

SEC. 2. OPIC ISSUING AUTHORITY.

Section 235(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)(3)) is amended by striking "1999" and inserting "2003".

SEC. 3. IMPACT OF OPIC PROGRAMS.

(a) ADDITIONAL REQUIREMENTS.—Section 231A of the Foreign Assistance Act of 1961 (22 U.S.C. 2191a) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following new subsection:

"(b) ENVIRONMENTAL IMPACT.—The Board of Directors of the Corporation shall not vote in favor of any action proposed to be taken by the Corporation that is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, unless for at least 60 days before the date of the vote—

"(1) an environmental impact assessment or initial environmental audit, analyzing the environmental impacts of the proposed action and of alternatives to the proposed action has been completed by the project applicant and made available to the Board of Directors; and

"(2) such assessment or audit has been made available to the public of the United States, locally affected groups in the host country, and host country nongovernmental organizations."; and

(3) in subsection (c), as so redesignated—

(A) by inserting "(1)" before "The Board"; and

(B) by adding at the end the following:

"(2) In conjunction with each meeting of its Board of Directors, the Corporation shall hold a public hearing in order to afford an opportunity for any person to present views regarding the activities of the Corporation. Such views shall be made part of the record."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 90 days after the date of the enactment of this Act.

SEC. 4. BOARD OF DIRECTORS OF OPIC.

Section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended—

(1) by striking the second and third sentences;

(2) in the fourth sentence by striking "(other than the President of the Corporation, appointed pursuant to subsection (c) who shall serve as a Director, ex officio)";

(3) in the second undesignated paragraph—

(A) by inserting "the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and" after "including"; and

(B) by adding at the end the following: "The United States Trade Representative may designate a Deputy United States Trade Representative to serve on the Board in place of the United States Trade Representative."; and

(4) by inserting after the second undesignated paragraph the following:

"There shall be a Chairman and a Vice Chairman of the Board, both of whom shall be designated by the President of the United States from among the Directors of the Board other than those appointed under the second sentence of the first paragraph of this subsection."

SEC. 5. TRADE AND DEVELOPMENT AGENCY.

(a) PURPOSE.—Section 661(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(a)) is

amended by inserting before the period at the end of the second sentence the following: ". with special emphasis on economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment".

(b) CONTRIBUTIONS OF COSTS.—Section 661(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(b)) is amended by adding at the end the following:

"(5) CONTRIBUTIONS TO COSTS.—The Trade and Development Agency shall, to the maximum extent practicable, require corporations and other entities to—

"(A) share the costs of feasibility studies and other project planning services funded under this section; and

"(B) reimburse the Trade and Development Agency those funds provided under this section, if the corporation or entity concerned succeeds in project implementation."

(c) FUNDING.—Section 661(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2421(f)) is amended—

(1) in paragraph (1)(A) by striking "\$77,000,000" and all that follows through "1996" and inserting "\$48,000,000 for fiscal year 2000 and such sums as may be necessary for each fiscal year thereafter"; and

(2) in paragraph (2)(A), by striking "in fiscal years" and all that follows through "provides" and inserting "in carrying out its program, provide, as appropriate, funds".

SEC. 6. IMPLEMENTATION OF PRIMARY OBJECTIVES OF TPCC.

The Trade Promotion Coordinating Committee shall—

(1) report on the actions taken or efforts currently underway to eliminate the areas of overlap and duplication identified among Federal export promotion activities;

(2) coordinate efforts to sponsor or promote any trade show or trade fair;

(3) work with all relevant State and national organizations, including the National Governors' Association, that have established trade promotion offices;

(4) report on actions taken or efforts currently underway to promote better coordination between State, Federal, and private sector export promotion activities, including co-location, cost sharing between Federal, State, and private sector export promotion programs, and sharing of market research data; and

(5) by not later than March 30, 2000, and annually thereafter, include the matters addressed in paragraphs (1), (2), (3), and (4) in the annual report required to be submitted under section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)).

SEC. 7. TIMING OF TPCC REPORTS.

Section 2312(f) of the Export Enhancement Act of 1988 (15 U.S.C. 4727(f)) is amended by striking "September 30, 1995, and annually thereafter," and inserting "March 30 of each year."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from New Jersey (Mr. MENENDEZ) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3381.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.