

she suffered social ostracism for her commitment to the poor. This did not cause her commitment to waiver; she continued to work on behalf of the poor for the rest of her life.

She also labored long and hard on behalf of the Charleston County Library, serving as a dedicated board member for 25 years, several as chairman of its board of trustees. The Library honored her after her death by re-dedicating the South Carolina room in her honor. She also served on the Board of Women Visitors of the University of South Carolina from 1962-1973 and again from 1981 until her death. The University of South Carolina Board of Trustees presented a Resolution to her family after her death, expressing its gratitude for her years of service to her church, her community and to the University of South Carolina.

Marybelle Howe, known for her zest for worthy causes, was a truly remarkable woman. Journalism was her chosen profession, and she was a writer all of her life. In addition to corresponding with family members weekly, she wrote a new short story as a gift for his children and friends each Christmas. She also enjoyed playing the piano, particularly ragtime pieces.

She was a wonderful wife, providing strength and balance in support of her husband's legal career. She was a wonderful mother, fair in her dealings with her children, inspiring them with her compassion for others and her non-judgmental nature. Marybelle's warmth and wit made others gravitate to her, and there was no doubt that she had a genuine love for people. She saw everyone as a "basically nice person" and knew the secret of inspiring others to bring out the best in themselves.

REV. LAYFORD R. JOHNSON

Rev. Layford R. Johnson, the son of the late Henry and Alice Johnson, was born in the Hickory Hill section of Lower Richland County, SC, 82 years ago. Rev. Johnson attended the Richland County Public Schools. He is a lifelong resident of Eastover, SC.

Rev. Johnson's parents, Henry and Alice Johnson were farmers. He said that some of the primary values they taught him, that he has taught to his children are honesty, and hard work.

Rev. Johnson worked in his earlier years on the WPX, as well as an employee of the CC Camp for two years, and for Holley Hill Lumber Company. Later he became a self employed farmer full time.

Rev. Johnson and Mrs. Evelina Hinton-Johnson are the parents of seven children. In addition they are the grandparents to fourteen (14) grandchildren, four great grandchildren, two daughters-in-law, two sons-in-law, two elderly aunts and a brother.

Rev. Johnson has always been and remains active in the work of the Lord. He is Associate Pastor at St. Phillip A.M.E. Church. He is also a Class Leader and Steward Emeritus, after twenty years of service as a Steward of the church.

Rev. Johnson is a Meals-On-Wheels Volunteer. He has served in this capacity for the past eighteen (18) years. Rev. Johnson is a dedicated and loyal volunteer. In addition, Rev. Johnson is very active in the political arena. He always volunteers his time on election day providing transportation to the polls.

Currently, Rev. Johnson, 80 years old is active in his volunteer work and pastoring. In addition, he still farms his garden. He is truly, an inspiration to his family and friends. Rev. Johnson believes and lives by the Golden Rule, "Do unto others, as you would have others do unto you."

Mr. SANFORD. Madam Speaker, I join my South Carolina colleagues to honor a fellow

Charlestonian—Marybelle H. Howe. I think what Mrs. Howe represents is something we should all aim for and that is being an active part of our community.

Mrs. Howe was a wife and mother of four children, but that did not stop her from participating in her church and her community. In the 1950's, Mrs. Howe was elected President of Church Women United, which brought her in touch with the migrant labor communities in the Seas Islands, just south of Charleston. In the late 1950's, Mrs. Howe and the Rev. Willis T. Goodwin opened Camp Care on Johns Island to minister to the children of migrant workers. This activity later blossomed into Rural Mission, Inc., which provides a wide variety assistance programs to the residents of the Sea Islands. Just before her death in 1987, Mrs. Howe was honored by Rural Missions, Inc. and her name was placed first on their Honor Roll.

Mrs. Howe's efforts with the poor raised the profile of the issue across the state. Her work with migrant labors helped to establish the South Carolina Commission for Farm Workers. She was also founding chairman of the Charleston County Commission on Economic Opportunity.

Mrs. Howe was also a dedicated board member of the Charleston County Library, serving 25 years, several as chairman of its board of trustees. Today, there is a Marybelle Howe Room at the library in her honor.

She also served on the Board of Women Visitors of the University of South Carolina from 1962-73 and again from 1981-86. After her death, the University of South Carolina presented a resolution to her family expressing its gratitude for her years of service to her church, her community and to the University of South Carolina.

I hope we can all, in some way, follow Mrs. Howe's example. Passage of this bill will not only honor this fine lady, but will also be a reminder of community spirit for all of us in Charleston. I am proud to cosponsor this legislation and I urge my colleagues to join me in honoring this woman's contributions.

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

Mr. TERRY. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Nebraska (Mr. TERRY) that the House suspend the rules and pass the bill, H.R. 3018, as amended.

The question was taken.

Mr. TERRY. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 49 minutes a.m.), the House stood in recess subject to the call of the Chair.

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AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BARRETT of Nebraska) at 12 o'clock and 34 minutes p.m.

COMMUNICATION FROM CHIEF OF STAFF OF THE HONORABLE BOB BARR, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Jonathan Blythe, Chief of Staff of the Honorable Bob Barr, Member of Congress:

U.S. CONGRESS,

Washington, DC, February 28, 2000.

Hon. J. DENNIS HASTERT,
Office of the Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VII of the Rules of the House of Representatives, that I have been served a subpoena for testimony issued by the Superior Court of the District of Columbia.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and rights of the House of Representatives.

With warm regards, I am very truly yours,
JONATHAN BLYTHE,

Chief of Staff,
Office of Congressman Bob Barr.

PROVIDING FOR CONSIDERATION OF H.R. 1827, GOVERNMENT WASTE CORRECTIONS ACT OF 1999

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 426 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 426

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1827) to improve the economy and efficiency of Government operations by requiring the use of recovery audits by Federal agencies. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform. In lieu of the amendment recommended by the Committee on Government Reform now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered as read. Points of order against that amendment in the nature of a substitute for failure to comply with clause 4 of rule XXI are

waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume.

During the consideration of this resolution, all time is yielded for the purpose of debate only.

Mr. Speaker, House Resolution 426 is an open rule providing for the consideration of H.R. 1827, the Government Waste Corrections Act. This rule provides 1 hour of general debate, evenly divided and controlled by the chairman and ranking member of the Committee on Government Reform.

The rule provides that, in lieu of the amendment recommended by the Committee on Government Reform and printed in the bill, that the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying the resolution shall be considered as the original text for the purpose of amendment.

The rule waives clause 4 of rule XXI against provisions included in the amendment in the nature of a substitute. The rule provides that the amendment in the nature of a substitute shall be open for amendment at any point. The rule accords Members who have preprinted their amendments in the RECORD prior to their consideration priority in recognition to offer their amendment, if otherwise consistent with House rules.

The rule allows the chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question, if the vote follows a 15-minute vote. Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, when the Republican party became the majority party in 1995, Congress began enacting a series of commonsense reforms. These reforms have changed the way the Federal government operates and have saved billions of taxpayer dollars.

One of the first things Congress did was apply all laws that it passes to itself. Previously, Congress would pass burdensome regulations on the private sector, but exclude itself from compliance to these laws. In 1995, Congress passed the Paperwork Reduction Act to identify and reduce burdensome Federal paperwork requirements on the private sector, especially small businesses.

Continuing toward a goal of creating a 21st century government, in 1996 Congress passed the Federal Acquisition Reform Act to reduce bureaucratic requirements within the Federal procurement system.

We have all heard examples of inflated prices, like the 187 screw sets purchased by the government for \$75.60 each. More often than not, such fleecing of taxpayer dollars is due to the cumbersome Federal procurement system, not fraud. The Federal Acquisition Reform Act has streamlined the process of doing business with the Federal government by significantly reducing such waste.

In 1997, Congress passed the Travel and Transportation Reform Act, legislation to remedy poor management of the Federal government's massive travel expenditures. This bill is now law, and has led to a concerted effort by Federal managers to improve the Federal travel efficiency and cost effectiveness. The Congressional Budget Office estimates savings of \$80 million per year.

With the passage last year of the Presidential and Executive Office Financial Accountability Act, Congress created a chief financial officer for the White House. This nonpartisan CFO position in the Executive Office of the President will facilitate prevention and early detection of waste, fraud and abuse. Accordingly, the bill promotes efficiency and cost reductions within the White House.

Today Congress takes another step toward increasing efficiency and saving taxpayer dollars with consideration of the Government Waste Corrections Act.

In private industry, companies routinely audit themselves to determine if they have overpaid vendors and suppliers. Overpayments are a fact of life for businesses, government entities, and even our own households. Overpayments become more likely with larger volumes of payments.

Overpayments occur for a variety of reasons, including duplicate payments, pricing errors, and missed discounts or rebates. On average, private industry recovers \$1 million for each \$1 billion that is audited. Overpayments at the Federal level are an especially serious problem when considering the size and

complexity of Federal operations, as well as the widespread financial management weaknesses of the Federal government.

Recovery auditing and activity already occurs in limited areas of the Federal government. Recovery audits of the Department of Defense alone have identified errors averaging .4 percent of Federal payments audited, or \$4 million out of every \$1 billion. Recovery efforts throughout the entire Federal Government could save billions of dollars more.

With this in mind, the Government Waste Corrections Act requires Federal agencies to perform audits if their direct purchases for goods and services total \$500 million or more per fiscal year. Agencies that must undertake recovery auditing would also be required to institute a management improvement program to address underlying problems of their payment systems.

The Government Waste Corrections Act is a commonsense government reform that incorporates proven, money-saving private sector practices to the Federal government.

Mr. Speaker, I encourage all Members to support the rule and the underlying legislation.

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

1245

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I rise in support of this open rule, and I urge my colleagues to pass it so that all germane alternatives and potential improvements to this legislation may be considered.

The underlying bill, H.R. 1827, the Government Waste Corrections Act of 1999, is designed to address the problem of overpaying vendors that provide goods and services to Federal agencies. Rooting out this problem is a worthy goal and one I wholeheartedly support. Our government has paid through the nose so often it has developed a bad cold that has resisted a cure. These overpayments waste money of the taxpayers and divert the Federal resources from their intended use.

Overpayments can occur for a variety of reasons, including duplicate payments, pricing errors, missed cash discounts, rebates, or other allowances. But with this bill, we take the first step toward a cure. The identification and recovery of such overpayments, commonly referred to as recovery auditing and activity, is an established business practice with demonstrated large financial returns.

Recovery auditing has already been employed successfully in limited areas of Federal activity. It has great potential for expansion to many other Federal agencies and activities, thereby

resulting in the recovery of substantial amounts of overpayments annually. Congress must ensure that overpayments made by the Federal Government that would otherwise remain undetected are identified and recovered.

I understand from Committee on Rules testimony last week that the underlying bill would not apply to excess Medicare payments. I think this is a shame, because Medicare is a system that needs looking into.

A measure that I have authored, H.R. 418, the Medicare Universal Product Number Act of 1999, which I have co-sponsored with the gentleman from New York (Mr. HOUGHTON) would go a long way towards cracking down on improper federal reimbursements.

I would urge the Committee of Government Reform and Oversight to continue this effort to crack down on excessive payments and take a hard look at Medicare in the process. The taxpayers need to know that Congress means business when it comes to handling their money.

Mr. Speaker, I support this open rule to allow full debate and all perfecting amendments to this legislation.

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

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

Mr. Speaker, previously I served on the Committee on Government Reform, and I found that the leadership that was provided by the chairman of that committee really has had a lot to do with the provisions of the laws that have changed. I believe that the gentleman from Indiana (Mr. BURTON), perhaps one of the greatest things he has brought to us is the old axiom that the light of day is the best disinfectant.

Mr. Speaker, I am delighted to yield such time as he may consume to the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for his kind remarks.

Let me just say that the gentleman from Texas (Mr. SESSIONS), as the chairman of the Results Caucus, has provided invaluable service to the country and to this body in working with us to formulate this legislation.

I would like to also thank the gentleman from Texas (Mr. TURNER), the ranking minority member on the Subcommittee on Government Management, Information and Technology for his hard work on this. The gentleman from California (Mr. OSE) and the gentleman from Texas (Mr. ARMEY) were very instrumental in helping draft the legislation, bringing it up to the position we have today, where we can bring it to the floor. I want to thank them for their participation.

I would like to also thank the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules, for his expeditious handling of this bill before the Committee on Rules

and bringing it to the floor, along with the gentleman from California (Mr. SESSIONS).

I think this is a good rule. It does provide an open rule so Members can amend the bill if they find it necessary, although I do not expect many amendments, if any.

Let me just say to the gentlewoman from New York (Ms. SLAUGHTER) who just spoke. We did consider provisions involving Medicare. Because of all the aspects of Medicare, we thought that it would encumber the bill at this time. However, let me just tell my colleagues that that is one of the things that we ought to be looking at and will be looking at because Medicare allegedly does waste billions of dollars. I think the same accounting procedures in the future ought to be considered by the entire body, and we will work toward that end.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. SESSIONS). Pursuant to House Resolution 426 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1827.

1250

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1827) to improve the economy and efficiency of Government operations by requiring the use of recovery audits by Federal agencies, with Mr. BARRETT of Nebraska in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Indiana (Mr. BURTON) and the gentleman from Texas (Mr. TURNER) each will control 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we are going to do something that is a little bit unusual for the Congress. We are going to vote on a bill that will save taxpayers' money instead of spending their money. Today we are going to vote on the Government Waste Corrections Act.

The Federal Government is one of the biggest consumers and customers in the world. Every year, Federal agencies spend hundreds of billions of dollars buying goods and services, pens,

papers, computers, cars, trucks. You name it, and the government buys it.

Along the way, mistakes are made. Someone punches in the wrong code, and a vendor gets paid too much, and taxpayers' money gets wasted.

Nobody knows exactly how much money gets wasted each year, but we do know this, it is not thousands of dollars, and it is not millions of dollars. The General Accounting Office estimates that billions of dollars are wasted each year in erroneous overpayments.

Private sector companies are very aggressive about trying to catch these errors and get their money back. Most Federal agencies do not.

My bill would focus agencies on getting back these millions and billions of dollars in overpayments. My bill takes a proven private sector financial management tool called recovery auditing and applies it to the Federal Government. It is used very successfully by Fortune 500 companies to identify and recover overpayments.

The Congressional Budget Office estimates that if government agencies use recovery auditing, they will collect back at least \$180 million over the next 5 years. I think it will be a lot more than that. What will happen with all this money? Well, part of the money can be used to pay for recovery audits. Part of the money can be used to improve financial management systems. At least 50 percent of that money will be returned to the Federal Treasury.

CBO says that this bill will save taxpayers at least \$100 million over the next 5 years. That is probably just the tip of the iceberg.

I remember last fall, we were trying to finalize the Federal budget. There were negotiations over a 1 percent across-the-board cut in the Federal budget to try to help balance the budget. We asked all Federal agencies if they could find 1 percent of their budgets where there was waste or excess spending that could be eliminated. Well, it seemed like most of them screamed bloody murder. They accused us of trying to cut into critical programs. There was nothing that could be cut, not one penny of waste, many of them said.

Well, we finally agreed on an across-the-board cut of four-tenths, about four-tenths of 1 percent. When we think about the trillions of dollars we spend, that is just a drop in the bucket.

Well, there is waste, and there are errors, and there are overpayments, billions of dollars in overpayments. They can be recovered. That is what this bill is all about.

Here is a brief explanation of what this bill will do. It requires agencies to conduct recovery auditing if they spend more than \$500 million annually on goods and services, and most of the agencies do. Recovery auditing uses sophisticated computer software to analyze billing records and identify overpayments.

This bill does not apply to programs that make direct payments to beneficiaries like Medicare or Social Security. It applies to the purchase of goods and services for the Federal Government. As I said to the gentlewoman from New York (Ms. SLAUGHTER) a few moments ago in the colloquy we had, we will be looking at Medicare and waste in that area down the road.

Agencies can either conduct recovery audits in house, or they can use private contractors, whichever is the most efficient. At least 50 percent of the amounts recovered must be returned to the Federal Treasury, and I think that is very good news.

Agencies are allowed to spend up to 25 percent of the recovered funds for management improvement programs. Lord knows we need to improve management in most agencies.

Agencies can use a portion of the recovered funds to cover the costs of the audits. Recovery auditing has been used very successfully in the demonstration programs at the Defense Department. The Army and the Air Force exchange systems have used recovery auditing for several years. The most recent audit recovered \$25 million.

In 1996, the Defense Supply Center in Philadelphia began a pilot program. Potential overpayments there have been estimated at \$23 million.

The bill we have before us has a number of technical changes that have been added since it was passed by the committee. These have been discussed at length with the minority and Members of the other interested committees. Several definitions have been added to clarify our intent.

This bill is designed to get at inadvertent overpayments. To help clarify this distinction, the definition of facial-discrepancy payment error has been addressed. Recovery auditors are to identify overpayments based on what is on the face of the payment records. They are not authorized to make determinations about the quality or the value of products provided to the Federal Government.

Many government contractors were concerned that recovery auditors might come to their offices and demand to go through their files. This bill does not allow them to do that. Recovery auditors are only allowed to analyze the agency's records. The manager's amendment explicitly prohibits a recovery auditor from establishing a physical presence, to set up shop, so to speak, at any contractor's office.

The bill originally contained a provision allowing OMB to exempt certain agencies from recovery auditing if it would not be cost effective. The manager's amendment authorizes agency heads to request exemptions from OMB based on these same criteria. However, it is my view that exemptions should be only offered in rare circumstances and that most agencies would benefit from recovery auditing.

The manager's amendment also stipulates that recovery auditing will

apply to the Defense Department's major weapons systems only after these contracts have been closed. This change addresses concerns raised by Members of the Committee on Armed Services, especially the gentleman from Virginia. Multi-year contracts for major weapons systems are very complex. They often involve estimated payments that are reconciled in later billing periods. Conducting recovery audits at the completion of these contracts will avoid unnecessary confusion.

Mr. Chairman, in essence, this bill does three things that are very important. First, it eliminates waste. CBO says it will save taxpayers at least \$100 million over the next 5 years. Second, it puts private sector business practices to work in the Federal Government; and that is something we should have done a long time ago. Third, it gives Federal agencies new resources to improve their financial management programs.

The Government Waste Corrections Act passed through the committee with bipartisan support. It is supported by the administration.

I want to thank the leadership for scheduling this bill today. I want to thank the gentleman from California (Mr. HORN), Chairman of the Subcommittee on Government Management, Information and Technology for his hard work on this issue, and also the gentleman from California (Mr. WAXMAN), my ranking member. I have already said I wanted to thank the subcommittee ranking member for his hard work as well.

We have all worked together to resolve several issues so that this bill could get the bipartisan support. So I ask all of my colleagues to support this bill. It is a good bill. Its time has come. We need to expand it in the future, but we will look back at that later on.

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

Mr. TURNER. Mr. Chairman I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 1827, the Government Waste Corrections Act of 1999. I want to commend the gentleman from Indiana (Mr. BURTON) for his leadership on this issue. I also want to thank the gentleman from California (Mr. WAXMAN), ranking member, for his hard work on the bill, as well as the gentleman from California (Mr. HORN), chairman of the Subcommittee on Government Management, Information and Technology.

The gentleman from Indiana (Mr. BURTON) stated it very correctly, this is a bill that will save money for the taxpayers. It is a wonderful opportunity to have a bill like this before the floor.

1300

So many times we find ourselves spending money, and this bill, clearly, will save money for our taxpayers.

This bill requires the use of a technique referred to as recovery auditing.

Recovery auditing is a proven financial tool that has been used to identify overpayments in the private sector for a number of years. It has been used by the automobile industry, by the retail trades industry, and by food services industries. It is a practice employed by most of the Fortune 500 companies. However, few agencies of the Federal Government have ever utilized this technique. The exceptions are the Army and Air Force Exchange Services, which recovered \$25 million in overpayments through the use of recovery auditing in 1998.

Every year Federal agencies make billions, and I say billions of dollars in overpayments. No matter how efficient a financial management system, we must face the fact that overpayments do occur in government. In fact, the larger the volume of government purchases, the greater likelihood of mistakes in overpayments.

As an example, the Department of Defense, which contracts for billions of dollars in goods and services every year, found that between the years 1994 and 1998 defense contractors in the private sector voluntarily returned \$984 million in overpayments to the Department of Defense. These returned payments were unknown to the Department of Defense until the money was returned.

Clearly, there is a need for recovery auditing in the Federal Government. This legislation requires Federal agencies to conduct recovery audits on all payment activities over \$500 million annually on goods and services for the use or direct benefit of the agencies. Recovery audits will be optional for other payment activities.

Agencies would be authorized to conduct recovery audits in-house or contract with private recovery specialists or use a combination of the two. At least 50 percent of the overpayments recouped would go back to the general treasury, and not more than 25 percent of the overpayments recouped could be used for a management improvement program designed to prevent future overpayments and waste by the agency. The Congressional Budget Office estimates that H.R. 1827 will result in collections of at least \$180 million in the first 5 years.

This bill was introduced by the gentleman from Indiana (Mr. BURTON) back in May of 1999. We had a hearing before the Subcommittee on Government Management, Information and Technology, and the full committee reported the bill with some amendments. There were a number of concerns that were discussed at the time of the hearing on the bill, and these have been addressed.

In full committee, I offered an amendment relating to privacy protection for individually identifiable information, and the gentleman from California (Mr. WAXMAN) offered another amendment which requires agencies to

conduct a private-public cost comparison before deciding whether to contract out in the private sector for recovery auditing services or to do the task in-house with agency personnel. I appreciate the bipartisan manner in which the chairman, the gentleman from Indiana (Mr. BURTON), approached both of these amendments; and we are pleased that they were included in the bill.

In an effort to alleviate other concerns, discovered after the full committee markup we have clarified the bill's intent by adding several new definitions and making technical clarification in other parts of the bill through the amendment in the nature of a substitute offered by the gentleman from Indiana (Mr. BURTON). Under the amendment, agency heads are now expressly authorized to request an exemption from the program if it goes against the agency's mission or would not be cost effective.

And in response to concerns raised by vendors who feared that recovery auditors might barge into their offices as a part of the recovery auditing process, the amendment in the nature of a substitute prohibits a recovery auditor from establishing a physical presence, that is, setting up shop at the entity that is being audited.

Finally, we also stipulated in the amendment in the nature of a substitute that recovery auditing will apply only to the Department of Defense's major weapon system programs after the contracts have been closed. These concerns were expressed to the committee and to the chairman and myself by the gentleman from Virginia (Mr. BATEMAN), by the gentleman from Virginia (Mr. SISISKY), the gentleman from Virginia (Mr. SCOTT), and others; and the amendment clarifies the bill in this regard and addresses those concerns.

Mr. Chairman, this bill clearly represents a significant step forward in dealing with the billions of dollars in overpayments that are made by the Federal Government. I am pleased to be a cosponsor of the bill. It is simply good government. Again, I commend the gentleman from Indiana (Mr. BURTON) for his leadership on the issue.

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

Mr. BURTON of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. OSE), a very valued member of the committee, and I also thank the gentleman from Texas (Mr. TURNER) for all his hard work on this bill as the ranking member on the subcommittee.

(Mr. OSE asked and was given permission to revise and extend his remarks.)

Mr. OSE. Mr. Chairman, today I rise in strong support of this remarkable piece of legislation, the Government Waste Corrections Act.

I would first like to especially commend my two chairmen on this committee, that being the gentleman from

Indiana (Mr. BURTON) and the gentleman from California (Mr. HORN), for their exceptional work on this. It is a pleasure to actually have the opportunity to work with two people of such skill and knowledge and have something fruitful, such as this, come to the floor. So my compliments to both gentlemen.

To the gentleman from Texas (Mr. TURNER), on the minority side, I appreciate his steady leadership and hand in keeping us on the straight and narrow, so to speak; and I welcome his bipartisan approach to this because this is an important issue.

One of the reasons I ran for Congress was to come to this House and try to instill a private sector mentality into government operations. The Government Waste Corrections Act does just that. Under this legislation, agencies will adopt recovery auditing, a practice widely used in the private sector. Recovery auditing is the process of reviewing all payment transactions in order to uncover duplicate payments, vendor pricing mistakes, and missed discounts.

Now, my colleagues may ask, is this bill really needed? Are our agencies not already careful with taxpayer money? Well, interestingly, both the General Accounting Office and the inspector generals throughout our agencies have repeatedly reported and testified that overpayments to government contractors are a serious, high-risk problem. However, I want to emphasize one thing here, and that is that this is not fraud or abuse; these are just mistakes that we are trying to catch in the process.

A couple of examples of the mistakes that have occurred is that some agency inspector generals have made that upwards of \$15 billion has erroneously been paid out under our programs for food stamps or housing programs in a given year. And as the gentleman from Texas (Mr. TURNER) pointed out over at the Department of Defense, private contractors, of their own volition, have voluntarily returned \$984 million in overpayments to the Department of Defense over the last 4 years. This may represent only a fraction of the total amount of money that we are trying to address here.

Now, the gentleman from Indiana has highlighted that this legislation has been estimated to save \$100 million of the taxpayers' money over the next 5 years. That is a remarkable sum. I happen to think that is on the low end. I am hopeful that we will be far more successful than that.

Finally, Mr. Chairman, the Government Waste Corrections Act is another great example of how we can take management techniques from the private sector and apply them to the Federal Government's practices ultimately for the benefit of all Americans and our taxpayers. I urge my colleagues to support this bill. Let us let the savings begin.

Mr. BURTON of Indiana. Mr. Chairman, I yield 5 minutes to the gen-

tleman from Virginia (Mr. BATEMAN), my classmate and a great American.

Mr. BATEMAN. Mr. Chairman, I thank the gentleman and my good friend from Indiana for yielding me this time.

Mr. Chairman, I rise today in support of this legislation and certainly want to commend my colleague for his untiring efforts to improve the economy and the efficiency of government operations. We are all in his debt for doing so.

I am rising in support of this bill. However, I do want to point out that I have some remaining trepidations with the bill and which, hopefully, can be further improved as it goes through the legislative process.

In the fiscal year 1996 and 1998 national defense authorization acts, Congress directed and then expanded a demonstration project to identify overpayments made to vendors by the Department of Defense. This initiative and these pilot programs were at the initiative of the Subcommittee on Military Readiness of the Committee on Armed Services, which I chair. And certainly I applaud these efforts and know that even those programs where it has been tried it has been effective and real savings have been the result.

During the course of this demonstration project, recovery auditing has proven to be a particularly effective management tool for identifying and collecting overpayments on contracts that are most analogous to commercial retail contracts. Indeed, for certain retail business areas, the Department of Defense has used recovery auditing to identify and collect overpayments at a higher rate than has been found in the private sector.

The problem lies in the application of recovery auditing to all business areas, particularly the procurement of major weapon systems. Contracts for the procurement of major weapon systems are executed over several years and are based on unique pricing guidelines. All payments are subject to routine and extensive contract audit and management activities designed to ensure accurate payments throughout.

Payments are made periodically and adjusted regularly to account for contract progress. Therefore, recovery auditing on contracts for the procurement of major weapon systems will not only be redundant but, in some cases, may also be virtually impossible to conduct. The bill before us now attempts to address this issue by providing that recovery auditing will not apply to major defense system acquisition programs until they have become closed.

I applaud the sponsors for their efforts to address these concerns. I am convinced, however, that H.R. 1827 could be further refined to address the problems I raise today. The Congressional Budget Office agrees with me and has stated in its cost estimate on

H.R. 1827 that it expects OMB would exempt research, testing and procurement of military weapons from the requirement of this act.

In closing, Mr. Chairman, let me reiterate that I strongly support any measure that enhances government efficiency and effectiveness and reduces the waste of taxpayer dollars, but I do urge caution when doing so may be redundant and counterproductive.

Mr. TURNER. Mr. Chairman, I yield myself such time as I may consume to thank the gentleman from Virginia (Mr. BATEMAN) for his leadership in trying to clarify the bill. I know the gentleman from Virginia (Mr. SISISKY) and the gentleman from Virginia (Mr. SCOTT) had similar concerns, and through their work we were able to address those concerns. We certainly hear the request that was made and look forward to working as this bill moves forward to be sure we have accomplished the desired result.

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

Mr. BURTON of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HORN), the subcommittee chairman, and a very valued member of the Committee on Government Reform.

(Mr. HORN asked and was given permission to revise and extend his remarks.)

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Mr. HORN. Mr. Chairman, we appreciate the leadership of the gentleman from Indiana (Mr. BURTON) on this. I want to thank the gentleman from Texas (Mr. TURNER), the ranking Democrat on our subcommittee that held some of these hearings. We have had very strong cooperation from the gentleman from Texas (Mr. TURNER), and I am most grateful.

H.R. 1827, the Government Waste Corrections Act, would require executive branch departments and agencies to use a process called "recovery auditing" to review the various payment transactions in order to check for erroneous overpayments. Some of it is completely innocent. It is just a process that sometimes does not work.

H.R. 1827 represents a milestone in the effort to reduce the widespread waste and errors that do exist in various Federal programs and that are costing taxpayers billions of dollars each year.

Last session, the gentleman from Indiana (Mr. BURTON) held hearings on waste and mismanagement. He had witnesses from the Inspectors General of Agriculture, Health and Human Services, and Housing and Urban Development. Each of them testified about various program and management problems in their departments. One of the most prevalent involved erroneous payments.

On March 31, 1999, the Subcommittee on Government Management, Information, and Technology that I chaired examined the government-wide consoli-

dated financial statement for fiscal year 1998.

The General Accounting Office, which audited these statements on our behalf, testified that one of the most serious areas of waste and error throughout the Government were the millions of dollars in improper payments being made to contractors, vendors, and suppliers.

Most Federal overpayments go undetected because agencies do not track and report these improper payments. And there is no law requiring them to do so. Each year, however, this ongoing waste squanders huge amounts of taxpayer dollars and detracts from the effectiveness of Federal operations by diverting resources intended for other purposes.

H.R. 1827 addresses the problem of inadvertent overpayments by requiring that the Government use a successful private sector business practice, known as recovery auditing.

In a typical recovery audit, an agency's purchases and payments would be reviewed to identify where overpayments have occurred. Common areas involve such things as vendor pricing mistakes, missed discounts, or duplicate payments. Once an error has been identified and verified, the vendor would be notified. Valid overpayments would be recovered through direct payments to the agency or by administrative offsets.

Although agencies may already have the authority to contract for recovery auditing, the process is simply not being utilized government-wide. And it should be. Agencies may need to consider using the services of the private sector because the process requires specialized skills, databases, and software development.

When the gentleman from Indiana (Chairman BURTON) introduced this legislation and it was referred to our subcommittee, we held further hearings in June of 1999 in which witnesses testified about the successful use of recovery auditing in the Department of Defense.

The Army and Air Force Exchange Service makes purchases of \$5 million per year. Recently they completed their recovery auditing, and that yielded almost \$25 million, which is not hay.

A witness from the Defense Supply Center of Philadelphia testified about a recovery audit pilot program being conducted at that supply center. The supply center expects to recover over \$27 million in overpayments over a 3-year period.

This bill requires agencies to use recovery auditing for purchases of \$500 million or more annually. However, agencies are encouraged to use recovery auditing for all procurements regardless of the amount of the transaction. However, the bill only applies recovery auditing to an agency's spending for direct contracting.

Examples of direct contracting include payments made to a contractor to build a new Veteran's Administra-

tion hospital and the payments the Defense Department would make for the purchase of a new weapons 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, drug treatment grants, or payments to intermediaries to administer the Medicare program.

Federal payments in those programs must make their way through a number of entities, including State and local governments and nonprofit organizations, before the service is really delivered to the general population. Those payment systems are often so complex that it is uncertain at this time where and how the recovery auditing procedure would best be applied.

Mr. Chairman, it is important to note that this legislation addresses the problems that cause the overpayments. This bill would require agencies to use part of the money they recover to improve their management and financial systems. As a priority, agencies would have to work toward improving their overpayment error rate.

In addition to the obvious benefits to Federal agencies, the Congressional Budget Office estimates that this legislation would result in collections of at least \$180 million over the next 5 years.

H.R. 1827 would be a win for the Government and a win for the American people. I urge all my colleagues to support this legislation.

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

Mr. Chairman, I want to thank the gentleman from California (Chairman HORN) for his hard work on this bill. It has been a pleasure to serve on the subcommittee with him; and, as always, I appreciate the bipartisan manner in which he conducts his business.

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

Mr. BURTON of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. SHAYS), one of the more valued members of our committee.

Mr. SHAYS. Mr. Chairman, I thank my esteemed chairman for yielding me the time. I appreciate the opportunity to address the committee.

Mr. Chairman, I rise in support of the Government Waste Corrections Act. In my judgment, this is simply common sense legislation. It is another important step in Congress's ongoing efforts to eliminate waste, fraud, and abuse in Federal agencies and programs.

I mean, let us face it, in a Federal budget that exceeds \$1.7 trillion, there will be some waste, quite a lot in fact. If we focus our efforts on rooting out this waste, we are better able to focus our limited resources on otherwise underfunded requirements.

For example, the Department of Defense, which I oversee, will be able to direct this money to spare parts, training, and other critical needs. Getting our financial house in order means more than simply passing a balanced

budget. It means ensuring the money is spent the way it is intended, not wasted through overpayments and billing errors.

Recovery audits are a way for the Government to better manage its finances. This is the same tool used by the private sector firms across this country to assure their expenditures are also in order.

These audits pay for themselves. Because agencies can use a portion of the amounts collected back to finance their recovery audit costs, they will not have to appropriate their own limited funds to audit activities.

Audits are also a way to pass savings on to taxpayers. In fact, this legislation requires a minimum of 50 percent of the money collected to be returned back to the U.S. Treasury.

I thank my colleagues for working on this legislation. It is a pleasure to be on the Committee on Government Reform, and I am happy they brought out this legislation.

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

Mr. Chairman, I understand we have a manager's amendment and an amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) which, of course, I support.

Mr. TERRY. Mr. Chairman, I am a cosponsor of H.R. 1827, the Government Waste Corrections Act. I commend our leadership for bringing this bill to the floor. At a time when there is a lot of talk about reducing waste, fraud and abuse in executive branch programs, I am pleased that the House is taking some action.

I want to express particular concern about HCFA, and that agency's lax oversight of Medicare contractors. By HCFA's own admission, billions of dollars are lost through waste and abuse each year.

Testimony from GAO, as well as the Inspector General of the Department of Health and Human Services, has documented that Medicare contractors have improperly paid claims and failed to recoup overpayments to providers.

Recently, GAO has cited "integrity problems" and "pervasive" fiscal mismanagement among Medicare contractors. This has included such questionable activity as arbitrarily turning off computer audits of claims, altering documents that involved questionable claims, and even falsification of documents and reports to HCFA. Yet these contractors are the very same companies that are supposed to be HCFA's front line force for the identification and recovery of Medicare overpayments. There is an inherent conflict of interest in having Medicare contractors both pay for provider claims and then audit their own performance.

This certainly is not the way that insurance companies in Omaha and across the country do business. When private resources are at risk, insurers obtain independent reviews to identify and recover overpayments. In protecting public resources HCFA would do well to follow the private example, perhaps turning to some of the same businesses that have extensive experience in the area.

GAO will report to Congress later this year on the results of a study HCFA's performance in the identification and collection of Medicare

overpayments. The HHS Inspector General's office also has plans to compare Medicare overpayment and recovery methods with those of private insurers. I am hopeful that the result of these studies will be that HCFA does what the Veterans Administration already has done—that is, approved use of private firms for cost recovery.

The bill now before us is an important first step recovering the millions of dollars the federal government over-pays each year. This is an important bill, and I urge its approval.

Mr. WALDEN of Oregon. Mr. Chairman, I rise today in strong support for the Government Waste Corrections Act. This bipartisan legislation will save the taxpayers at least \$180 million over the next 5 years by making the Federal Government less wasteful through adoption of private-sector solutions to problems with contract payments.

I am a cosponsor of this important piece of legislation because I believe it is common-sense reform. As a small business owner, I understand the importance of keeping a close eye on disbursements. If we treat the funds of our own business with that kind of care, don't taxpayers deserve the same treatment for their money? I think so, and I'll bet most Americans you ask think so too.

For some years, the Department of Defense has used a method known as recovery auditing to cut down on the amount of overpayment to contractors. The 1996 Defense Authorization Act authorized a recovery auditing demonstration program at the Defense Supply Center in Philadelphia. The audit turned up more than \$27 million in overpayments. Due to disputes, only \$2.6 million of this amount has been returned to the Government, but the DOD is optimistic that more money will be returned soon, and the recovery audit is seen as a success.

H.R. 1827 would implement this audit method throughout the Federal Government, saving taxpayers millions more. It would allow agencies to perform the audit internally or through a contractor, providing sufficient flexibility to account for differences between agencies. And it would allow agencies to give cash awards to employees who identify wasteful spending practices.

Mr. Chairman, I applaud the efforts of Chairman BURTON and Chairman HORN to improve the efficiency of the Federal Government and save taxpayers money. I urge passage of the common-sense Government Waste Corrections Act.

Mr. WAXMAN. Mr. Chairman, I rise in support of H.R. 1827, the Government Waste Correction Act of 2000, which requires agencies to use a financial management technique known as recovery auditing.

Implementation of recovery auditing has the potential to save millions of taxpayers' dollars by ensuring that overpayments made by the federal government are both identified and collected. Just like in the private sector, the federal government makes overpayments. And just like in the private sector, efforts should be made to recovery such overpayments.

These overpayments are often not intentional. Frequently, these are inadvertent overpayments due to duplicate payments, pricing errors, missed cash discounts and the like. By requiring the performance of recovery auditing, we are increasing the efficiency and effectiveness of the federal government.

Mr. Chairman, I want to highlight two important provisions of H.R. 1827 which ensure (1)

fundamental privacy rights and (2) fair treatment of federal workers. H.R. 1827 requires audits of services that are for the "direct benefit and use" of government agencies. A number of such services involve the use of individuals' personal information, including health information. For example, health care services provided to veterans by community based health clinics under contract with the federal government may be subject to audits under the bill.

Our colleague, Representative JIM TURNER, deserves credit for making sure these audits won't infringe on legitimate privacy concerns. His amendment, which was adopted by the Government Reform Committee, provides essential privacy protections for individually identifiable information obtained by contractors through recovery audits and recovery activities under this bill. The Turner amendment adds needed balance and safeguards to H.R. 1827.

I am also encouraged by the inclusion of my amendment to H.R. 1827 requiring public-private cost comparisons. We should let federal employees—not private contractors—perform recovery audits when the federal employees can do a better job at lower cost to the taxpayer than private contractors. This amendment, which provides for current Office of Management and Budget (OMB) circular cost comparisons, ensures that federal workers will not be prevented from doing recovery auditing work because of any arbitrary federal full time equivalent ceilings.

Mr. Chairman, recovery auditing is an important tool and should be used to identify inadvertent overpayments. I urge my colleagues to support H.R. 1827.

Mr. STERNS. Mr. Chairman, I am here today to express my support for H.R. 1827, the Government Waste Corrections Act.

Over the years, several studies have focused on the waste and abuse that occurs within the Federal Government. A few months ago, GAO reported the financial statement reports of nine federal agencies. Mr. Speaker, do you want to know what they found? There were improper payments of \$19.1 billion for major programs that these agencies administered in FY 1998 alone.

These figures are extremely disturbing, but they don't begin to capture the full extent of the federal government's financial problems. Neither federal agencies nor GAO has a good estimate of the overpayments that occur each year. Unfortunately, the extent of overpayments is expected to be significant due to the poor state of these federal agencies' financial and accounting records.

This is completely unacceptable, H.R. 1827 will help resolve this problem, by demanding agencies to give greater attention to identify and recover overpayments, saving the American taxpayer millions of dollars. To be more specific, CBO estimates that agencies would collect back \$180 million over five years.

Mr. Chairman, this bill will be truly effective in the fight against government waste, and I urge its support.

Mr. TURNER. Mr. Chairman, I yield back the balance of my time.

Mr. BURTON of Indiana. Mr. Chairman, we have no more speakers on our side, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in

House Report 106-506 is considered as an original bill for the purpose of amendment and is considered read.

The text of the amendment in the nature of a substitute is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Waste Corrections Act of 2000".

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) AMOUNTS COLLECTED.—The term 'amounts collected' means monies actually received by the United States Government.

"(2) CHIEF FINANCIAL OFFICER.—The term 'Chief Financial Officer' means the official established by section 901 of this title, or the functional equivalent of such official in the case of any agency that does not have a Chief Financial Officer under that section.

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

"(4) 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.

"(5) FACIAL-DISCREPANCY PAYMENT ERROR.—The term 'facial-discrepancy payment error'—

"(A) except as provided in subparagraph (B), means any payment error that results from, is substantiated by, or is identified as a result of information contained on any invoice, delivery order, bill of lading, statement of account, or other document submitted to the Government by a supplier of goods or services in the usual and customary conduct of business, or as required by law or contract to substantiate payment for such goods or services, including any such document submitted electronically; and

"(B) does not include payment errors identified, resulting, or supported from documents that are—

"(i) records of a proprietary nature, maintained solely by the supplier of goods or services;

"(ii) not specifically required to be provided to the Government by contract, law, regulation, or to substantiate payment;

"(iii) submitted to the Government for evaluative purposes prior to the award of a contract, as part of the evaluation and award process.

Records, documents, price lists, or other vendor material published and available in the public domain shall not be considered sources of facial-discrepancy payment errors, but may be used to substantiate, clarify, or validate facial-discrepancy payment errors otherwise identified.

"(6) 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.

"(7) 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.

"(8) 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.

"(9) RECOVERY AUDIT.—The term 'recovery audit' means a financial management technique applied internally by Government employees, or by private sector contractors, and used by executive agencies to audit their internal records to identify facial-discrepancy payment errors made by those executive agencies to vendors and other entities in connection with a payment activity, including facial-discrepancy payment errors that result from any of the following:

"(A) Duplicate payments.

"(B) Invoice errors.

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

"(D) Any other facial-discrepancy errors resulting in inaccurate payments.

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

"(11) RECOVERY AUDIT CONTRACTOR.—The term 'recovery audit contractor' means any person who has been hired by an executive agency to perform a recovery audit pursuant to a recovery audit contract.

"§ 3562. Recovery audit requirement

"(a) IN GENERAL.—Except as exempted 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);

"(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); and

"(3) may request that the Director exempt a payment activity, in whole or in part, from the requirement to conduct recovery audits under paragraph (1) if the head of the executive agency determines and can demonstrate that compliance with such requirement—

"(A) would impede the agency's mission; or

"(B) would not, or would no longer be, cost-effective.

"(b) 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 to avoid any duplication of effort;

"(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 under section 3565(b)(2) of this subchapter.

"(c) SCOPE OF AUDITS.—

"(1) IN GENERAL.—Each recovery audit of a payment activity under this section shall cover payments made by the payment activity in the preceding 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 2000.

"(2) ADDITIONAL FISCAL YEARS.—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 subject to any statute of limitations constraints regarding recordkeeping under applicable law.

"(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 may pay the recovery audit 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 RECOVERY AUDIT CONTRACTOR.—

"(A) IN GENERAL.—In addition to performance of a recovery audit, a contract for such performance may authorize the recovery audit 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) LIMITATION.—A contract for performance of a recovery audit shall not affect—

“(i) the authority of the head of an executive agency, or any other person, 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 in 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 recovery audit contractor with an executive agency—

“(A) to require the production of any record or information by any person other than an officer, employee, or agent of the executive agency; and

“(B) to establish, or otherwise have a physical presence on the property or premises of any private sector entity as part of its contractual obligations to an 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 improper use, and protect from disclosure to any person who is internal or external to the firm of the recovery audit contractor and who is not directly involved in the identification or recovery of overpayments, otherwise confidential or proprietary business information and financial information that may be viewed or obtained in the course of carrying out a recovery audit for an executive agency;

“(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 recovery audit contractor and any recommendations on how to mitigate such conditions;

“(C) notify the head of the executive agency and the Inspector General of the executive 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 recovery audit 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, the 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 recovery audit 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 nongovernmental 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 nonpecuniary 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 nongovernmental entity, the nongovernmental 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 recovery audit contractor for performance of the audit;

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

“(3) to pay any fees authorized under chapter 37 of this title.

“(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, or that remain available for recording, adjusting, and liquidating obligations properly chargeable to that appropriation or fund 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 im-

provement 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 programs and operations of that executive agency 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 2000.

“(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, including such experts who currently use recovery auditing as part of their financial management procedures.

“(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, or would no longer 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.

“(3) EXEMPTION OF MAJOR DEFENSE SYSTEM ACQUISITION PROGRAMS.—

“(A) IN GENERAL.—Unless determined otherwise by the head of the agency authorized to conduct a Department of Defense major system acquisition program, the requirements of section 3562(a) of this title shall not apply to such a program procured with a cost-type contract until the contract has become a closed contract.

“(B) DEPARTMENT OF DEFENSE MAJOR SYSTEM ACQUISITION PROGRAM DEFINED.—In this paragraph, the term ‘Department of Defense major system acquisition program’ has the meaning that term has in Office of Management and Budget Circular A-109, as in effect on the date of the enactment of the Government Waste Corrections Act of 2000.

“(e) REPORTS.—

“(1) IN GENERAL.—Not later than 1 year after the date the Director issues initial guidance under subsection (b), 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 head 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 that section 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 V—RECOVERY AUDITS

“Sec.

“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.”.

During consideration of the bill for amendment, the Chair may accord pri-

ority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURTON of Indiana:

In section 3(a), in the proposed section 3561(1), strike “actually received” and inserting “received or credited, by any means, including setoff.”

In section 3(a), in the proposed section 3561(5)—

(1) in subparagraph (A), strike “document submitted” the first place it appears and insert “submission given”;

(2) in subparagraph (B)(ii), add “or” after the semicolon; and

(3) strike the matter following subparagraph (B)(iii).

In section 3(a), in the proposed section 3562(c)(1), strike “the 2 consecutive fiscal years” and all that follows through the period and insert “the fiscal year in which the Government Waste Corrections Act of 2000 is enacted, and payments made in the preceding fiscal year.”

In section 3(a), in the proposed section 3562(d)(4)(A), strike “and financial information” and insert “, and any financial information.”

In section 3(a), in the proposed section 3562, after subsection (e) insert the following (and redesignate the subsequent subsection as subsection (g)):

“(f) RELATIONSHIP TO OTHER AUDIT AUTHORITY.—Nothing in this subchapter shall be construed as diminishing the authority granted under section 3726 of this title.

In section 3(a), in the proposed section 3562(g) (as so redesignated), strike paragraph (2) and insert the following:

“(2) DESTRUCTION OR RETURN OF INFORMATION.—(A) Upon the date described in subparagraph (B), a nongovernmental entity having possession of individually identifiable information disclosed in the course of a recovery audit or recovery activity under this chapter performed by the nongovernmental entity shall destroy the information or return it to the person from whom it was obtained, unless another applicable law requires retention of the information.

“(B)(i) Except as provided in clause (ii), the date referred to in subparagraph (A) is the date of conclusion of the matter or need for which the information was disclosed.

“(ii) If on the date referred to in clause (i) the nongovernmental entity has actual notice of any oversight of the recovery auditing or recovery activity, the date referred to in subparagraph (A) is the date of the conclusion of such oversight.

In section 3(a), in the proposed section 3563(e)(2), strike “, or that remain available for recording, adjusting, and liquidating obligations properly chargeable to that appropriation or fund”.

In section 3(a), in the proposed section 3565(e)(1), strike “Not later than 1 year after the date the Director issues initial guidance

under subsection (b),” and insert “Not later than 30 months after the date of the enactment of the Government Waste Corrections Act of 2000.”

Mr. BURTON of Indiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BURTON of Indiana. Mr. Chairman, this amendment contains technical and clarifying corrections to the legislation that I have worked out in advance with our ranking member, the gentleman from California (Mr. WAXMAN), and the gentleman from Texas (Mr. TURNER), the subcommittee ranking member.

There are eight changes that include such things as correctly aligning reporting dates and clarifying language used in definitions. These changes serve to make the intent of the bill as clear as possible.

I think this is an amendment that everybody will support. It is technical in nature and has been cleared with the ranking minority members, as well.

Mr. TURNER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the gentleman from Indiana (Mr. BURTON) stated, after this bill went to the Committee on Rules, it was discovered that there was a need for some technical corrections and clarifications. This amendment does that. It is bipartisan. It is non-controversial.

I thank the gentleman from Indiana (Mr. BURTON), the gentleman from California (Mr. WAXMAN), and the gentleman from California (Mr. HORN) of our subcommittee for the work they did in addressing these concerns. I urge adoption of the manager’s amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. BURTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas:

At the end of the bill add the following:

SEC. . STUDY.

(a) IN GENERAL.—The Director of the Office of Management and Budget shall conduct a study of the effects of recovery audits conducted by executive agencies, including any significant problems relating to the provision of improper or inadequate notice of recovery audits to persons who are the subjects of such audits.

(b) REPORT.—The Director shall report to the Congress the findings, conclusions, and recommendations of the study under this section.

Ms. JACKSON-LEE of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from Indiana (Chairman BURTON); the gentleman from California (Mr. WAXMAN), the ranking member; the gentleman from California (Mr. HORN), the subcommittee chair; and the gentleman from Texas (Mr. TURNER) for their cooperation on the amendment that I am about to offer. I want to commend my colleagues for their bipartisan fashion on working on this legislation.

I believe a study should be incorporated to properly assess due process concerns raised by recovery audits performed on a contingency basis for their constituency or error identification.

Let me say that the underlying bill I applaud, and I do believe that it will be an important new vehicle to help save the Government money. In particular, for example, in purchases such as a new weapons system, it is extremely important for us to be able to recover overpayments. However, I think this amendment will provide us with additional assistance.

The Government Waste Corrections Act focuses on recovery auditing of an agency spending for direct contracting, the purchase of goods and services for direct benefit and the use of the Government.

The legislation, appropriately, does not require recovery auditing for programs that involve payments to third parties. Indeed, this legislation could include audits of payments to a contractor to build a new veteran's hospital or other systems. Regretfully, however, the bill does not contain sufficient explanation of the procedural aspects, such as due process concerns for those affected of recovery auditing that will occur on a contingency basis.

For example, notices of payments on demand are very important to targets of audits. This ensures that everyone understands what is owed. Recovery auditing may provide the wrong kind of incentives to those justifiably trying to identify Government waste.

Therefore, I am offering an amendment to require the Office of Management and Budget to study the effects of recovery audits authorized by this legislation, including any significant problems about proper notice to persons who are subjects of such audits.

I think if we do this research, Mr. Chairman, we will be able to determine whether or not we are giving the appropriate notice so that those who are the subject of an audit can appropriately respond but, as well, appropriately refund the monies that may have been overspent by the Government.

I ask my colleagues to join me in supporting this amendment to a very good piece of legislation that will address both the issue of overpayments but, as well, the questions of due process and being fair to our large, medium, and small businesses that do

business with the United States Government.

Mr. BURTON of Indiana. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there is a reporting requirement in the bill in section 3565(c) of the legislation under the Responsibilities of the Office of Management and Budget. However, if the gentlewoman from Texas (Ms. JACKSON-LEE) feels like this is necessary to have an additional study, even though I think that is covered in the bill, we have no objection to it, and we will accept the amendment.

Mr. TURNER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by my colleague from Texas (Ms. JACKSON-LEE).

This amendment would require OMB to conduct a study on the adequacies of the notices on overpayments provided to the companies that are subject to recovery audits.

Companies that are audited deserve to know detailed information about the nature of the overpayments that the recovery auditors identify.

1330

I appreciate the remarks made by the gentleman from Indiana. I think it is appropriate that we include this in this bill. I want to commend the gentlewoman from Texas for bringing this amendment forward. I would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Ms. JACKSON-LEE). The amendment was agreed to.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. FOWLER) having assumed the chair, Mr. BARRETT of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1827) to improve the economy and efficiency of Government operations by requiring the use of recovery audits by Federal agencies, pursuant to House Resolution 426, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BURTON of Indiana. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 2 p.m.

Accordingly (at 1 o'clock and 32 minutes p.m.), the House stood in recess until approximately 2 p.m.

1402

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BARRETT of Nebraska) at 2 o'clock and 2 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 8 of rule XX, the Chair will now put the question on the passage of H.R. 1827 and each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 1827, de novo;

H.R. 2952, de novo; and

H.R. 3018, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

GOVERNMENT WASTE
CORRECTIONS ACT OF 1999

The SPEAKER pro tempore. The pending business is the question de novo of the passage of the bill, H.R. 1827, on which further proceedings were postponed.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BURTON of Indiana. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.