

subcommittee level. In the coming weeks, the Committee will continue its work to produce fiscal year 2011 appropriations that meet Americans' highest priority needs within this fiscally responsible framework.

In the two fiscal year 2011 appropriations bills that have passed the House thus far—Transportation/HUD and Military Construction/VA—the Committee has made some significant cuts below the Administration's request. Among these reductions, the Committee cut \$500 million below last year and \$1.36 billion below the request for ill-defined or duplicative programs of the Department of Housing and Urban Development and the Department of Transportation. The Committee also cut \$545 million below the request for military construction projects due to bid savings and ill-defined plans for the realignment of forces to Guam.

In recent years, the Appropriations Committee has also eliminated or cut hundreds of wasteful and duplicative programs. Last year alone, the Committee terminated 60 programs and significantly cut funding for another 660 programs.

Since 2007, the Appropriations Committee has strengthened contract oversight and independent audits to make programs across federal agencies more effective and efficient. As an example, the Committee has led an initiative to double enforcement capacity to end improper payments, fraud and other abuses at the Social Security Administration and the Departments of Labor and Health and Human Services. These efforts are projected to save more than \$48 billion over the next 10 years.

Furthermore, the Appropriations Committee has ended unnecessary no-bid contracts and strengthened competition, management and oversight in government contracts across the federal government.

Most notably, the Committee has worked to impose discipline and strengthen accountability for Department of Defense (DOD) contracted services. From 1997 to 2007, DOD contracted service costs grew 143 percent from \$125 billion to \$299 billion. Yet, DOD had no system of accountability for contract services, and couldn't even identify the number of its contractors. At the Committee's direction over the past three years, the Pentagon is now implementing reform efforts to strengthen contracting and clarify rules prescribing when outsourcing is and is not appropriate. The Army can now identify the number of its contractors (213,000) and is working to bring in house inherently governmental functions. The Defense Department estimates that these actions will result in a \$4.5 billion savings by 2015. Last year, the President followed the Appropriations Committee's lead and announced government-wide contracting reforms based on the Committee's direction to DOD over the past 3 years.

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COMMITTEE ON VETERANS' AFFAIRS' OVERSIGHT OF GOVERNMENT SPENDING

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**HON. BOB FILNER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 15, 2010

Mr. FILNER. Madam Speaker, pursuant to the budget enforcement resolution for fiscal year 2011 passed by the House of Representa-

tives on July 1, 2010, as Chairman of the Committee on Veterans' Affairs I am submitting "findings that identify changes in law that help achieve deficit reduction by reducing waste, fraud, abuse, and mismanagement, promoting efficiency and reform of government, and controlling spending within Government programs" the Committee may authorize.

Under Democratic leadership, the Committee has undertaken an active and far-reaching oversight agenda that has, among other accomplishments, identified ways to save millions of taxpayer dollars within the Department of Veterans Affairs through improvements in the operation and management of veterans' benefits and health care programs. Working closely with the VA's Office of Inspector General, we have pushed the VA to more effectively utilize the generous and robust budgets provided by this Congress under your leadership.

Since the beginning of the 110th Congress, the Committee on Veterans' Affairs has been striving to revolutionize the manner in which the VA provides benefits to veterans. By mandating greater efficiency and a veteran-first attitude, we have sought to change the perception of the VA as being the veterans' adversary to standing as the veterans' advocate.

To further this effort, we are continuing to work toward major reforms in the VA's claims processing system and the VA's acquisition and procurement system. I am confident that when these reforms take place, taxpayers will realize major cost-savings by providing greater efficiency, fairness, and accountability. The Committee is also working toward integrating the VA's Post 9/11 G.I. Bill benefits and improving and streamlining the application process.

These efforts will, in the months ahead, result in assisting the House in working toward its goal of making government more responsive and effective while saving taxpayer dollars and reducing our deficit.

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IN HONOR AND REMEMBRANCE OF  
CAROLE A. SLIWA

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**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 15, 2010

Mr. KUCINICH. Madam Speaker, I rise today in honor and remembrance of Carole A. Sliwa who lived her life with great energy, joy and with love for her family, friends and community.

Mrs. Sliwa was the devoted wife of Theodore "Ted" Sliwa for 56 years. Since childhood, her faith and her family served as her strength and her foundation. She remained very close to her extended family members, especially her brother Daniel and his wife, Patty; her sister, the late Patricia, and her brother-in-law, Donald. In addition, Mrs. Sliwa was a cherished friend to many people throughout the Greater Cleveland community.

Mrs. Sliwa's enthusiasm for local arts programs never wavered, and she shared her artistic gifts with many. Her beautiful paintings are displayed in the homes of numerous friends and relatives. Mrs. Sliwa's lifelong commitment to and passion for the arts is also reflected in her membership and leadership in

several community art centers, including the Ohio Artist Color Society, the Friendship Center of Bay Village, the Lakewood Art League, and the Art Mart of Brecksville.

Madam Speaker and colleagues, please join me in honor and remembrance of Mrs. Carole A. Sliwa. I offer my condolences to her devoted husband and to her entire family and many friends. Mrs. Sliwa lived her life with great joy and love. Her devotion to family and friends, and her passion for the arts, will be treasured and remembered always.

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—FINDINGS PURSUANT TO THE  
HOUSE BUDGET RESOLUTION

**HON. SANDER M. LEVIN**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 15, 2010

Mr. LEVIN. Madam Speaker, I submit the following.

HEALTH CARE/MEDICARE

Congress spent the first part of this session enacting landmark health reform legislation that substantially reforms and strengthens the Medicare program. As a result of this legislation, CBO estimates net deficit reduction of \$143 billion from 2010 to 2019, and deficit reduction of more than \$1 trillion in the next decade. In addition, the Medicare Actuary estimates that the Medicare changes enacted in health reform will extend the life of the Part A Trust Fund by 12 years—the largest extension in history. Finally, as a result of the new law, national health expenditures per insured person will fall by \$1,400 by 2019.

The health reform law also includes extensive provisions to aggressively reduce fraud, waste, and abuse in government health programs. The Affordable Care Act (ACA) establishes new authorities to enhance fraud-fighting when providers first enroll in the program and during the pre- and post-payment periods.

During the Medicare provider enrollment period, ACA strengthens provider screening and disclosure requirements and allows the Secretary to impose a moratorium on new providers in areas of significant risk. These tools will help keep fraudulent providers out of government programs before they have a chance to act. In the pre-payment period, ACA directs the Secretary to establish a program of increased oversight for new providers and allows for the suspension of payment, if deemed appropriate, to a provider or supplier. For the post-payment and enforcement period, ACA establishes new penalties for the submission of false data or false claims and increases funding for proven fraud-fighting programs used by the Office of Inspector General (OIG) and the Department of Justice.

Taken together, these provisions reduce fraud, waste, and abuse by improving payment accuracy, promoting efficiency, and controlling spending within Medicare and other government programs.

The Committee's efforts to achieve deficit reduction, prevent fraud, promote efficiency, and control spending within government programs extend beyond the ACA. The Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (P.L. 111-192) included two provisions that address these goals. First, this law clarifies the 3-day payment window for inpatient admissions to ensure that all services related to the hospital admission are included in the bundled payment. Absent this provision, hospitals would likely have unbundled hospital payments driving up Medicare spending. Second,

the law established a CMS-IRS data match to identify potentially fraudulent providers. This provision authorizes the Centers for Medicare and Medicaid Services (CMS) to collaborate with the IRS to determine whether providers enrolling or re-enrolling in Medicare have failed to file Federal tax returns or have delinquent tax debts. In doing so, the law helps to identify potentially fraudulent providers earlier in the application process and allows the Secretary to use this information in determining whether to deny such application or to apply enhanced oversight to the provider.

Following passage of health reform legislation, the Committee has held and will continue to hold oversight hearing on a number of issues, including:

#### FRAUD, WASTE AND ABUSE

While many of the HHS OIG recommendations from their annual compendium were adopted in the ACA, combating fraud remains a top priority for the committee. On June 15th, the Health and Oversight Subcommittees held a joint hearing on combating fraud, waste, and abuse. At this hearing, a representative of the HHS Office of Inspector General discussed two new tools that would improve OIG's ability to prevent criminals from becoming providers in the Medicare program. The first recommendation was to provide OIG with broader permissive authority to exclude permanently from Medicare corporate executives who have been involved in Medicare fraud. Second, it was suggested that the OIG permissive authority could also be expanded to better enable the OIG to reach parent companies that may be hiding behind corporate shells.

On September 14, 2010, in response to these recommendations, Health Subcommittee Chairman Representative Stark and Ranking Republican Wally Herger introduced the Strengthening Medicare Anti-Fraud Measures Act. The bill would provide the OIG with this expanded permissive authority. We are awaiting a CBO score of the legislation.

#### HITECH IMPLEMENTATION

Enactment of the American Recovery and Reinvestment Act of 2009 included the Health Information Technology for Economic and Clinical Health (HITECH) Act, which created incentive payments for providers that adopt and meaningfully use electronic medical records. Increased adoption and meaningful use of health information technology will arm providers with information that is usually held only in paper records, lower duplication rates of procedures, promote efficiency and quality, and reduce waste as providers coordinate care through improved exchange of clinical information. The Health Subcommittee held an oversight hearing on implementation of HITECH Act earlier this year and will continue to monitor the program to ensure that the advance of health information technology improves quality and efficiency of the delivery of health care in the Medicare program.

#### DURABLE MEDICAL EQUIPMENT COMPETITIVE BIDDING PROCESS

The Medicare Modernization Act directed CMS to establish a competitive bidding process for payment of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) under Medicare. The first round of competitive bidding for DME was delayed in 2008 because of implementation problems. Later this year, CMS will award contracts under the first round of the revised program. The Health Subcommittee will examine whether CMS has adequately addressed problems with the competitive bidding program and explore its potential effect on beneficiaries' access to the program and supplier participation.

#### TAX PROVISIONS TO PREVENT TAX AVOIDANCE AND FRAUD

CLOSING FOREIGN TAX CREDIT LOOPOLES

On August 10, 2010, the House passed H.R. 1586, the Education, Jobs, and Medicaid Assistance Act by a vote of 247 to 161. The bill, signed into law the same day (P.L. 111-226), included changes developed jointly by the Treasury Department, the Committee on Ways and Means, and the Senate Committee on Finance to curtail abuses of the U.S. foreign tax credit system and other targeted abuses. Foreign tax credits are intended to ensure that U.S.-based multinational companies are not subject to double taxation. However, multi-national corporate taxpayers have taken advantage of the U.S. foreign tax credit system to reduce the U.S. tax due on completely unrelated foreign income in a manner that has nothing to do with eliminating double taxation. The bill eliminated \$9.6 billion of foreign tax credit loopholes.

#### TRANSFER PRICING

On July 22, 2010, the Committee on Ways and Means held a hearing to begin initial discussions of the complex areas of tax law that govern transfer pricing practices among related parties (multinational corporations). Pursuant to a request by the Committee in December 2009, the Joint Committee on Taxation (JCT) undertook a study of transfer pricing issues. Part of that study involved meetings with tax practitioners and the IRS to gain a better understanding of how companies can structure overseas operations to minimize U.S. taxes. The JCT released a report summarizing its work, beginning with a study of the issues and specific case studies to illuminate the potential for income shifting through transfer pricing. The Committee continues to investigate opportunities for reducing tax avoidance by multinational corporations through transfer pricing structures.

#### FIRST-TIME HOMEBUYER PROGRAM

The Housing and Economic Recovery Act of 2008 established the First-Time Homebuyer Credit, which generally provided an \$8,000 tax credit to certain taxpayers for the purchase of a home. The credit was extended and expanded by the American Recovery and Reinvestment Act of 2009 and the Worker, Homeownership, and Business Assistance Act of 2009 (Assistance Act). On October 22, 2009, the Subcommittee on Oversight of the Ways and Means Committee held a hearing on administration of the credit by the Internal Revenue Service (IRS). At the hearing, the Treasury Inspector General for Tax Administration (TIGTA) released a report finding instances of fraud and abuse in the program. In response to the report, TIGTA and the U.S. Government Accountability Office made several legislative recommendations to improve administration of the credit. On October 22, 2009, Oversight Subcommittee Chairman John Lewis (D-GA) introduced H.R. 3901, the Homebuyer Tax Credit Improvement Act of 2009, which provided the IRS with additional authority to prevent fraudulent claims and claims by minor children. On November 6, 2009, H.R. 3901 was enacted into law as part of the Assistance Act (P.L. 111-92).

#### PRISONER TAX FRAUD

On September 27, 2008, the House passed H.R. 7082, the Inmate Tax Fraud Prevention Act of 2008. This law allows the IRS to exchange with officers and employees of the Federal Bureau of Prisons certain tax return information with respect to prisoners whom the Secretary has determined may have filed false or fraudulent tax returns. This provision was enacted into law on October 15, 2008. In June 2010, TIGTA released a report estimating that about 1,300 prison inmates

(more than 90 percent of whom were state prison inmates) claimed and received more than \$9 million in fraudulent first-time homebuyer tax credits. On June 29, 2010, a provision to allow the IRS to disclose tax return information to officers and employees of State agencies charged with the administration of prisons passed the House in H.R. 5623, the Homebuyer Assistance and Improvement Act of 2010. On July 2, 2010, this provision was enacted into law as part of the Homebuyer Assistance and Improvement Act of 2010 (P.L. 111-198).

#### TAX PROVISIONS TO PROMOTE GOVERNMENT EFFICIENCY AND REFORM

##### INCREASE ELECTRONIC FILING OF TAX RETURNS

The Internal Revenue Service Restructuring and Reform Act of 1998 (RRA) established a goal for the IRS to receive at least 80 percent of tax and information returns electronically. For 2010, the overall electronic filing (e-filing) rate is projected to reach approximately 59 percent. To achieve the 80 percent goal, an estimated 40 million additional returns need to be e-filed. On October 22, 2009, Oversight Subcommittee Chairman John Lewis (D-GA) introduced H.R. 3901, the Homebuyer Tax Credit Improvement Act of 2009, which authorized the IRS to require tax return preparers to file returns electronically in order to achieve additional cost reduction and savings. On November 6, 2009, H.R. 3901 was enacted into law as part of the Worker, Homeownership, and Business Assistance Act (P.L. 111-92). The Electronic Tax Administration Advisory Committee, established by the RRA, believes that this is the single most important initiative that will enable the IRS to reach its 80 percent electronic filing goal.

#### REMOVAL OF CELL PHONES FROM LISTED PROPERTY

In 1989, Congress passed a law requiring taxpayers to substantiate the business use of cell phones. At that time, cell phones were an expensive perk for executives. Cell phones and similar equipment are now ingrained in daily business practices at all levels. The Administration has recognized that cell phone service in this country has changed dramatically over the past decade and recommended that the law be modernized to remove the special documentation requirements for cell phones and reduce the cost of administering and complying with the provision. On April 15, 2010, a provision to eliminate the strict substantiation rules on cell phones passed the House in H.R. 4994, the Taxpayer Assistance Act of 2010.

Repeal of the partial payment requirement on submissions of offers-in-compromise. Offer-in-compromise (OIC) agreements are an important collection alternative for the IRS and taxpayers. Under current law, due to legislation passed in 2006, a taxpayer offering to settle a tax liability must make a partial payment with submission of an OIC application. The need to increase the usage of OIC agreements in situations of economic hardship was raised at a February 2009 hearing of the Subcommittee on Oversight of the Committee on Ways and Means. On May 12, 2009, Oversight Subcommittee Chairman John Lewis (D-GA) introduced H.R. 2343, a bipartisan bill that would increase the likelihood that some amount of tax is collected and promote continued tax compliance by repealing the partial payment requirement. On April 15, 2010, a provision to repeal the partial payment requirement passed the House in H.R. 4994, the Taxpayer Assistance Act of 2010.

#### STUDY ON DELIVERY OF TAX REFUNDS

The National Taxpayer Advocate (NTA) has stated that the quickest and cheapest way to distribute tax refunds is electronically rather than by paper checks in the

mail. However, a large number of taxpayers do not have bank accounts. These taxpayers are not able to fully participate in electronic filing because the IRS cannot transmit their refunds to them electronically. The NTA recommended that the Department of Treasury develop a program to enable taxpayers to receive refunds on stored value cards. On April 15, 2010, a provision to require the Secretary of Treasury, in consultation with the National Taxpayer Advocate, to conduct a study on the feasibility of delivering federal tax refunds on debit cards, prepaid cards, or other electronic means passed the House in H.R. 4994, the Taxpayer Assistance Act of 2010.

**STUDY ON TIMELY PROCESSING AND USE OF INFORMATION RETURNS**

Under current law, the IRS processes tax returns before it processes related information returns, such as Forms W-2 and Forms 1099. The IRS does not match information on income tax returns to information returns until after the filing season has ended. There are two reasons for the delay: (1) the deadline for filing information returns generally is March 31 and (2) the tax filing season begins in mid-January. A provision to require the Secretary of Treasury to study, and make recommendations on, the administrative and legislative steps required to allow the IRS to receive information returns before it processes income tax returns passed the House in H.R. 4994, the Taxpayer Assistance Act of 2010.

**CLARIFY THAT THE BAD CHECK PENALTY APPLIES TO ELECTRONIC PAYMENTS**

Taxpayers are subject to a penalty if their check or money order in payment of their tax liabilities is not honored. On April 15, 2010, a provision to ensure fair application of the penalty by clarifying that the penalty applies to all commercially acceptable instruments of payment (i.e., electronic payments) passed the House in H.R. 4994, the Taxpayer Assistance Act of 2010. On July 2, 2010, this provision was enacted into law as part of the Homebuyer Assistance and Improvement Act of 2010 (P.L. 111-198).

**TRADE**

The Trade Subcommittee is developing Customs and Border Protection (CBP) reauthorization legislation addressing two important oversight issues explored at a May 2010 hearing: (1) correcting the agency's failure to collect antidumping and countervailing duties; and (2) addressing cost overruns and delayed implementation of the agency's new, modernized computer system, the Automated Commercial Environment (ACE).

**COMBATING THE EVASION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS**

The U.S. government loses hundreds of millions of dollars every year when foreign companies employ fraudulent tactics to evade U.S. antidumping and countervailing duty orders. Such tactics include misrepresenting the country of origin of imported products or mislabeling the types of products being imported on Customs import documentation. The resulting impact in the United States is two-fold. Not only is there lost revenue to the government, but also American businesses and workers are denied relief from the illegal trade practices that the antidumping and countervailing duties are designed to neutralize. The Trade Subcommittee is preparing legislation to counter these kinds of practices and aims to move that legislation shortly. This legislation: (1) establishes clear, expeditious time-frames for CBP to investigate and determine whether evasion is occurring; (2) requires maximum cooperation between CBP and the Department of Commerce in making and en-

forcing such determinations; and (3) provides authority for CBP to collect unpaid duties and assess penalties. This legislation will diminish substantially the duties lost to evasion as well as the corresponding harm to the U.S. industry.

**ENSURING EFFICIENT USE OF TAXPAYER DOLLARS IN FURTHER ACE DEPLOYMENT**

The Trade Subcommittee is preparing legislation that will support the positive steps taken by CBP since its May 20th hearing to get ACE deployment back on track and moving in the right direction. ACE development to date has cost over \$3 billion, and the system continues to have limited functionality to attract a critical mass of users. Completion of ACE promises significant benefits to CBP, businesses, and workers alike, increasing U.S. competitiveness and saving taxpayer dollars. The Trade Subcommittee is developing legislation to ensure that: (1) ACE is completed expeditiously and with strong functionality; and (2) the funds invested in this project, going forward, are used efficiently and effectively.

**SOCIAL SECURITY**

In December of 2009, Congress enacted H.R. 4218, the No Social Security Benefits for Prisoners Act of 2009 (P.L. 111-115) to prevent retroactive Social Security and Supplemental Security Income benefit payments from being issued to individuals while they are in prison, along with beneficiaries in violation of conditions of parole or probation, or who are fleeing to avoid prosecution for a felony or a crime punishable by sentence of more than one year. The Social Security Act already barred payment of monthly benefits to such individuals. This new law ensures the prohibition applies to retroactive benefit payments as well, and allows payments to be paid once the beneficiary is no longer prohibited from receiving payments under the provisions of this bill.

In response to a Social Security Administration Inspector General report that as many as eight states use prison industries to perform work that allows inmates access to individual Social Security numbers, Chairman Pomeroy introduced H.R. 5854, the No Prisoner Access to Social Security Numbers Act of 2010. The bill would protect the accuracy of Social Security records and help shield individuals from identity theft and other potential crimes by prohibiting federal, state, and local governments from employing prisoners in any capacity that would allow inmates access to full or partial SSNs of other individuals. The Federal Bureau of Prisons already proscribes such work by federal inmates by regulation. This bill would extend this policy to all of the states.

In recent years, we have substantially increased funding for program integrity at the Social Security Administration, which will save billions of dollars in overpayments and payments to people who have become ineligible for benefits. Because the Social Security Administration uses innovative predictive modeling techniques to identify cases with the highest risk of an overpayment and targets those cases for careful review, they are able to generate savings of as much as \$12 for every dollar invested in program integrity, despite Social Security's already very low error rate. For example, in 2008 their computer models allowed them to target the beneficiaries most likely to have medically improved for full eligibility reviews, saving \$3.8 billion in Social Security, Medicare, Medicaid, and SSI benefits. If SSA had randomly selected cases for intensive review, they would only have saved \$900 million.

Because the return on investment is so significant, we plan to work on legislation that will increase our investment in Social Security's fight against fraud, waste, and abuse.

**FINDINGS PURSUANT TO THE HOUSE BUDGET ENFORCEMENT RESOLUTION**

**HON. JOHN M. SPRATT, JR.**

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, September 15, 2010*

Mr. SPRATT. Madam Speaker, pursuant to the Budget Enforcement Resolution that the House passed on July 1, I hereby submit an outline of changes within the Budget Committee's jurisdiction to help achieve deficit reduction by reducing waste, fraud, abuse, and mismanagement, by promoting efficiency and reform of government, and by controlling spending.

While the Budget Committee does not have jurisdiction over specific government programs, it does maintain a broad oversight role over the federal budget as well as budget process.

This year Congress enacted statutory pay-as-you-go (PAYGO) legislation, a measure under the Budget Committee's jurisdiction. The legislation was the culmination of years of work on the part of Congressional Democrats to restore statutory PAYGO after the previous statute expired in 2002. That version of PAYGO reined in new entitlement spending and required new tax cuts to be offset in the 1990s, with the result that the federal budget returned to surplus. The new law likewise will help set budgetary priorities and restore fiscal responsibility. Since its enactment in February, Congress has passed and the President has signed legislation into law with PAYGO provisions reducing the federal deficit by a total of \$58.4 billion over the next five years and a total of \$43.1 billion over the next ten years, according to the most recent OMB scorecard.

The passage of statutory PAYGO built on the internal House PAYGO rule, adopted during the opening week of the Democratic majority in 110th Congress—along with a rule that fast-track budget reconciliation procedures cannot be used for legislation that increases the deficit. The Budget Committee works continuously with other House committees to ensure that legislation coming to the House floor for a vote meets the requirements of these deficit-reducing rules.

One of the critical roles that the Budget Committee plays each year is to set the overall level of discretionary spending for the annual spending bills produced by the Appropriations Committee. This year, the appropriations cap is \$7 billion below the comparable level proposed by the President, and follows a similar reduction of \$7 billion below the President's request last year. Approving these more disciplined spending levels encourages Congress to find efficiencies and reduce wasteful spending while providing enough room to fund critical services and investments at a time when the economy is still recovering from the worst recession in decades.

In addition, on May 28 of this year, I introduced H.R. 5454—the Reduce Unnecessary Spending Act of 2010—that will enhance fiscal discipline by allowing the President to sign spending bills into law while culling out unneeded or wasteful items and proposing that Congress rescind them. “Expedited rescission” under this bill requires Congress to consider the President's recommendations as one package, without amendment and on a