

they are. This week alone they've blamed the United States for sinking the South Korean ship that killed 46 sailors early this year. They blamed the United States.

This is the same regime that holds an American hostage, Mr. Alan Gross, a Jewish American contractor who was providing humanitarian aid to Cuban Jews within that island nation.

This is the same regime that, last month, Fidel Castro himself compared Israel to Nazi Germany. And yet some want to give concessions to that regime. Some want to help that regime with billions of dollars.

Let's stay firm. Let's demand elections. Let's demand freedom for the Cuban people.

EXTEND UNEMPLOYMENT COMPENSATION INSURANCE BENEFITS

(Ms. KILROY asked and was given permission to address the House for 1 minute.)

Ms. KILROY. Mr. Speaker, today I rise to call on my colleagues, and particularly my colleagues in the Senate and those Republicans, to give much needed relief to 15 million out-of-work Americans and extend unemployment compensation insurance benefits. It is unprecedented not to do so at a time of high unemployment, over 10 percent in my district.

And I take strong issue with comments that the unemployed don't want to work, that they aren't looking for jobs. They do. They want to pay their bills. They want to support their families, make those utility payments, put food on their table, send their children to college.

But right now I have talked to anguished, hardworking men and women who have lost jobs when their factories closed and have been looking continuously for work. It's not yet there. They are looking for these jobs, but they need this help now. It is time that we extend unemployment compensation and give these hardworking citizens the help that they need.

HONORING THE LIFE OF SERGEANT MATTHEW R. HENNIGAN

(Ms. TITUS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. TITUS. Mr. Speaker, I rise today to honor Army Sergeant Matthew Hennigan, a resident of southern Nevada who was killed in action serving in Afghanistan.

Sergeant Hennigan was a strong willed and brave soldier who never shied away from a challenge or turned down an opportunity to serve. With a contagious smile and a warm personality, Sergeant Hennigan was a strong and fearless soldier and a friend to many. He is remembered by his fellow soldiers as a model citizen, a strong warrior, and a respected leader.

He was an inspirational captain of the Silverado High School wrestling team in his senior year; and upon graduation, he answered the call to serve his Nation at the young age of 17. He did so with valor and dignity.

Matthew Hennigan is a true American hero. He epitomizes the best this country has to offer. Let us always honor his memory, never forget his sacrifice, and promise to be there for his family in this sad time.

God bless our troops.

PASSPORTS FOR THE IROQUOIS NATIONAL LACROSSE TEAM

(Mr. MAFFEI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAFFEI. Mr. Speaker, this morning a team of Iroquois Indians attempted to board a plane for the United Kingdom to compete in an international lacrosse competition, where they would represent the Iroquois or Hodneshoni Nation on the world stage. Again they were denied entry because they were traveling on their own people's passports instead of U.S. or Canadian.

Though the British invited this team to compete from the Iroquois Nation, they refused the Iroquois passports unless the U.S. officially said it was okay. But the U.S. refused to do so, even though dozens of Iroquois have traveled internationally, including overseas with these documents.

Mr. Speaker, the Iroquois nationals team is not a security risk and willingly subjected themselves to fingerprinting and background checks. In fact, the U.S. State Department offered to rapidly expedite U.S. passports for much of the team. But to this team, accepting U.S. passports would be akin to renouncing their own national and ethnic identity. It's a matter of principle to them.

The State Department and Homeland Security Department have lost the forest through the trees in refusing to allow the team to travel as citizens of an indigenous nation.

Mr. Speaker, in the Academy Award winning film, "Chariots of Fire," a Scottish running hero, Eric Liddell, is praised for sticking to his religious beliefs even when they threatened to keep him out of the 1924 Olympics. He's a true man of principle.

Mr. Speaker, this team is a true team of principle.

EXTENSION OF UNEMPLOYMENT INSURANCE

(Mr. McDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, recently Senator JOHN KYL called unemployment insurance "a necessary evil," and I must say his statement gave me some clarity for the first time in

months. I've been mystified about how the Republicans could repeatedly block unemployment benefits in a struggling economy that they drove into the ditch.

I couldn't grasp this reasoning behind depriving millions of American families the support they need to buy food and pay their mortgage while they searched for work. Now, I understand that Republicans evidently believe that helping jobless workers is an evil.

I foolishly thought we might hear some compassion from the very party that is causing countless Americans to lose their lifeline. I just hope that enough Republicans in the other body will find the courage to buck their party and end this.

Millions of families are counting on them. Their phone calls come into my office every single day from all over the country: When will the extended benefits be put back in? And I say, look to the Republicans in the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

IMPROPER PAYMENTS ELIMINATION AND RECOVERY ACT OF 2010

Mr. DAVIS of Illinois. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1508) to amend the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) in order to prevent the loss of billions in taxpayer dollars.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 1508

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Improper Payments Elimination and Recovery Act of 2010".

SEC. 2. IMPROPER PAYMENTS ELIMINATION AND RECOVERY.

(a) SUSCEPTIBLE PROGRAMS AND ACTIVITIES.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended by striking subsection (a) and inserting the following:

“(a) IDENTIFICATION OF SUSCEPTIBLE PROGRAMS AND ACTIVITIES.—

“(1) IN GENERAL.—The head of each agency shall, in accordance with guidance prescribed by the Director of the Office of Management and Budget, periodically review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments.

“(2) FREQUENCY.—Reviews under paragraph (1) shall be performed for each program and activity that the relevant agency head administers during the year after which the

Improper Payments Elimination and Recovery Act of 2010 is enacted and at least once every 3 fiscal years thereafter. For those agencies already performing a risk assessment every 3 years, agencies may apply to the Director of the Office of Management and Budget for a waiver from the requirement of the preceding sentence and continue their 3-year risk assessment cycle.

“(3) RISK ASSESSMENTS.—

“(A) DEFINITION.—In this subsection the term ‘significant’ means—

“(i) except as provided under clause (ii), that improper payments in the program or activity in the preceding fiscal year may have exceeded—

“(I) \$10,000,000 of all program or activity payments made during that fiscal year reported and 2.5 percent of program outlays; or

“(II) \$100,000,000; and

“(ii) with respect to fiscal years following September 30th of a fiscal year beginning before fiscal year 2013 as determined by the Office of Management and Budget, that improper payments in the program or activity in the preceding fiscal year may have exceeded—

“(I) \$10,000,000 of all program or activity payments made during that fiscal year reported and 1.5 percent of program outlays; or

“(II) \$100,000,000.

“(B) SCOPE.—In conducting the reviews under paragraph (1), the head of each agency shall take into account those risk factors that are likely to contribute to a susceptibility to significant improper payments, such as—

“(i) whether the program or activity reviewed is new to the agency;

“(ii) the complexity of the program or activity reviewed;

“(iii) the volume of payments made through the program or activity reviewed;

“(iv) whether payments or payment eligibility decisions are made outside of the agency, such as by a State or local government;

“(v) recent major changes in program funding, authorities, practices, or procedures;

“(vi) the level, experience, and quality of training for personnel responsible for making program eligibility determinations or certifying that payments are accurate; and

“(vii) significant deficiencies in the audit report of the agency or other relevant management findings that might hinder accurate payment certification.”.

(b) ESTIMATION OF IMPROPER PAYMENTS.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended by striking subsection (b) and inserting the following:

“(b) ESTIMATION OF IMPROPER PAYMENTS.—With respect to each program and activity identified under subsection (a), the head of the relevant agency shall—

“(1) produce a statistically valid estimate, or an estimate that is otherwise appropriate using a methodology approved by the Director of the Office of Management and Budget, of the improper payments made by each program and activity; and

“(2) include those estimates in the accompanying materials to the annual financial statement of the agency required under section 3515 of title 31, United States Code, or similar provision of law and applicable guidance of the Office of Management and Budget.”.

(c) REPORTS ON ACTIONS TO REDUCE IMPROPER PAYMENTS.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended by striking subsection (c) and inserting the following:

“(c) REPORTS ON ACTIONS TO REDUCE IMPROPER PAYMENTS.—With respect to any program or activity of an agency with estimated improper payments under subsection

(b), the head of the agency shall provide with the estimate under subsection (b) a report on what actions the agency is taking to reduce improper payments, including—

“(1) a description of the causes of the improper payments, actions planned or taken to correct those causes, and the planned or actual completion date of the actions taken to address those causes;

“(2) in order to reduce improper payments to a level below which further expenditures to reduce improper payments would cost more than the amount such expenditures would save in prevented or recovered improper payments, a statement of whether the agency has what is needed with respect to—

“(A) internal controls;

“(B) human capital; and

“(C) information systems and other infrastructure;

“(3) if the agency does not have sufficient resources to establish and maintain effective internal controls under paragraph (2)(A), a description of the resources the agency has requested in its budget submission to establish and maintain such internal controls;

“(4) program-specific and activity-specific improper payments reduction targets that have been approved by the Director of the Office of Management and Budget; and

“(5) a description of the steps the agency has taken to ensure that agency managers, programs, and, where appropriate, States and localities are held accountable through annual performance appraisal criteria for—

“(A) meeting applicable improper payments reduction targets; and

“(B) establishing and maintaining sufficient internal controls, including an appropriate control environment, that effectively—

“(i) prevent improper payments from being made; and

“(ii) promptly detect and recover improper payments that are made.”.

(d) REPORTS ON ACTIONS TO RECOVER IMPROPER PAYMENTS.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended—

(1) by striking subsection (e);

(2) by redesignating subsections (d) and (f) as subsections (f) and (g), respectively; and

(3) by inserting after subsection (c) the following:

“(d) REPORTS ON ACTIONS TO RECOVER IMPROPER PAYMENTS.—With respect to any improper payments identified in recovery audits conducted under section 2(h) of the Improper Payments Elimination and Recovery Act of 2010 (31 U.S.C. 3321 note), the head of the agency shall provide with the estimate under subsection (b) a report on all actions the agency is taking to recover improper payments, including—

“(1) a discussion of the methods used by the agency to recover overpayments;

“(2) the amounts recovered, outstanding, and determined to not be collectable, including the percent such amounts represent of the total overpayments of the agency;

“(3) if a determination has been made that certain overpayments are not collectable, a justification of that determination;

“(4) an aging schedule of the amounts outstanding;

“(5) a summary of how recovered amounts have been disposed of;

“(6) a discussion of any conditions giving rise to improper payments and how those conditions are being resolved; and

“(7) if the agency has determined under section 2(h) of the Improper Payments Elimination and Recovery Act of 2010 (31 U.S.C. 3321 note) that performing recovery audits for any applicable program or activity is not cost-effective, a justification for that determination.

“(e) GOVERNMENTWIDE REPORTING OF IMPROPER PAYMENTS AND ACTIONS TO RECOVER IMPROPER PAYMENTS.—

“(1) REPORT.—Each fiscal year the Director of the Office of Management and Budget shall submit a report with respect to the preceding fiscal year on actions agencies have taken to report information regarding improper payments and actions to recover improper overpayments to—

“(A) the Committee on Homeland Security and Governmental Affairs of the Senate; and

“(B) the Committee on Oversight and Government Reform of the House of Representatives.

“(2) CONTENTS.—Each report under this subsection shall include—

“(A) a summary of the reports of each agency on improper payments and recovery actions submitted under this section;

“(B) an identification of the compliance status of each agency to which this Act applies;

“(C) governmentwide improper payment reduction targets; and

“(D) a discussion of progress made towards meeting governmentwide improper payment reduction targets.”.

(e) DEFINITIONS.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended by striking subsections (f) (as redesignated by this section) and inserting the following:

“(f) DEFINITIONS.—In this section:

“(1) AGENCY.—The term ‘agency’ means an executive agency, as that term is defined in section 102 of title 31, United States Code.

“(2) IMPROPER PAYMENT.—The term ‘improper payment’—

“(A) means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and

“(B) includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts.

“(3) PAYMENT.—The term ‘payment’ means any transfer or commitment for future transfer of Federal funds such as cash, securities, loans, loan guarantees, and insurance subsidies to any non-Federal person or entity, that is made by a Federal agency, a Federal contractor, a Federal grantee, or a governmental or other organization administering a Federal program or activity.

“(4) PAYMENT FOR AN INELIGIBLE GOOD OR SERVICE.—The term ‘payment for an ineligible good or service’ shall include a payment for any good or service that is rejected under any provision of any contract, grant, lease, cooperative agreement, or any other funding mechanism.”.

(f) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—Section 2 of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) is amended by striking subsection (g) (as redesignated by this section) and inserting the following:

“(g) GUIDANCE BY THE OFFICE OF MANAGEMENT AND BUDGET.—

“(1) IN GENERAL.—Not later than 6 months after the date of enactment of the Improper Payments Elimination and Recovery Act of 2010, the Director of the Office of Management and Budget shall prescribe guidance for agencies to implement the requirements of this section. The guidance shall not include any exemptions to such requirements not specifically authorized by this section.

“(2) CONTENTS.—The guidance under paragraph (1) shall prescribe—

“(A) the form of the reports on actions to reduce improper payments, recovery actions, and governmentwide reporting; and

“(B) strategies for addressing risks and establishing appropriate prepayment and postpayment internal controls.”.

(g) DETERMINATIONS OF AGENCY READINESS FOR OPINION ON INTERNAL CONTROL.—Not later than 1 year after the date of enactment of this Act, the Director of the Office of Management and Budget shall develop—

(1) specific criteria as to when an agency should initially be required to obtain an opinion on internal control over improper payments; and

(2) criteria for an agency that has demonstrated a stabilized, effective system of internal control over improper payments, whereby the agency would qualify for a multiyear cycle for obtaining an audit opinion on internal control over improper payments, rather than an annual cycle.

(h) RECOVERY AUDITS.—

(1) DEFINITION.—In this subsection, the term “agency” has the meaning given under section 2(f) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) as redesignated by this Act.

(2) IN GENERAL.—

(A) CONDUCT OF AUDITS.—Except as provided under paragraph (4) and if not prohibited under any other provision of law, the head of each agency shall conduct recovery audits with respect to each program and activity of the agency that expends \$1,000,000 or more annually if conducting such audits would be cost-effective.

(B) PROCEDURES.—In conducting recovery audits under this subsection, the head of an agency—

(i) shall give priority to the most recent payments and to payments made in any program or programs identified as susceptible to significant improper payments under section 2(a) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note);

(ii) shall implement this subsection in a manner designed to ensure the greatest financial benefit to the Government; and

(iii) may conduct recovery audits directly, by using other departments and agencies of the United States, or by procuring performance of recovery audits by private sector sources by contract (subject to the availability of appropriations), or by any combination thereof.

(C) RECOVERY AUDIT CONTRACTS.—With respect to recovery audits procured by an agency by contract—

(i) subject to subparagraph (B)(iii), and except to the extent such actions are outside the agency’s authority, as defined by section 605(a) of the Contract Disputes Act of 1978 (41 U.S.C. 605(a)), the head of the agency may authorize the contractor to notify entities (including persons) of potential overpayments made to such entities, respond to questions concerning potential overpayments, and take other administrative actions with respect to overpayment claims made or to be made by the agency; and

(ii) such contractor shall have no authority to make final determinations relating to whether any overpayment occurred and whether to compromise, settle, or terminate overpayment claims.

(D) CONTRACT TERMS AND CONDITIONS.—

(i) IN GENERAL.—The agency shall include in each contract for procurement of performance of a recovery audit a requirement that the contractor shall—

(I) provide to the agency periodic reports on conditions giving rise to overpayments identified by the contractor and any recommendations on how to mitigate such conditions;

(II) notify the agency of any overpayments identified by the contractor pertaining to

the agency or to any other agency or agencies that are beyond the scope of the contract; and

(III) report to the agency credible evidence of fraud or vulnerabilities to fraud, and conduct appropriate training of personnel of the contractor on identification of fraud.

(ii) REPORTS ON ACTIONS TAKEN.—Not later than November 1 of each year, each agency shall submit a report on actions taken by the agency during the preceding fiscal year to address the recommendations described under clause (i)(I) to—

(I) the Office of Management and Budget; and

(II) Congress.

(E) AGENCY ACTION FOLLOWING NOTIFICATION.—An agency shall take prompt and appropriate action in response to a report or notification by a contractor under subparagraph (D)(i)(I) or (II), to collect overpayments and shall forward to other agencies any information that applies to such agencies.

(3) DISPOSITION OF AMOUNTS RECOVERED.—

(A) IN GENERAL.—Amounts collected by agencies each fiscal year through recovery audits conducted under this subsection shall be treated in accordance with this paragraph. The agency head shall determine the distribution of collected amounts, less amounts needed to fulfill the purposes of section 3562(a) of title 31, United States Code, in accordance with subparagraphs (B), (C), and (D).

(B) USE FOR FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM.—Not more than 25 percent of the amounts collected by an agency through recovery audits—

(i) shall be available to the head of the agency to carry out the financial management improvement program of the agency under paragraph (4);

(ii) may be credited, if applicable, for that purpose by the head of an agency to any agency appropriations and funds that are available for obligation at the time of collection; and

(iii) shall be used to supplement and not supplant any other amounts available for that purpose and shall remain available until expended.

(C) USE FOR ORIGINAL PURPOSE.—Not more than 25 percent of the amounts collected by an agency—

(i) shall be credited to the appropriation or fund, if any, available for obligation at the time of collection for the same general purposes as the appropriation or fund from which the overpayment was made;

(ii) shall remain available for the same period and purposes as the appropriation or fund to which credited; and

(iii) if the appropriation from which the overpayment was made has expired, shall be newly available for the same time period as the funds were originally available for obligation, except that any amounts that are recovered more than five fiscal years from the last fiscal year in which the funds were available for obligation shall be deposited in the Treasury as miscellaneous receipts, except that in the case of recoveries of overpayments that are made from trust or special fund accounts, such amounts shall revert to those accounts.

(D) USE FOR INSPECTOR GENERAL ACTIVITIES.—Not more than 5 percent of the amounts collected by an agency shall be available to the Inspector General of that agency—

(i) for—

(I) the Inspector General to carry out this Act; or

(II) any other activities of the Inspector General relating to investigating improper payments or auditing internal controls associated with payments; and

(ii) shall remain available for the same period and purposes as the appropriation or fund to which credited.

(E) REMAINDER.—Amounts collected that are not applied in accordance with subparagraph (A), (B), (C), or (D) shall be deposited in the Treasury as miscellaneous receipts, except that in the case of recoveries of overpayments that are made from trust or special fund accounts, such amounts shall revert to those accounts.

(F) DISCRETIONARY AMOUNTS.—This paragraph shall apply only to recoveries of overpayments that are made from discretionary appropriations (as that term is defined by paragraph 7 of section 250 of the Balanced Budget and Emergency Deficit Control Act of 1985) and shall not apply to recoveries of overpayments that are made from discretionary amounts that were appropriated prior to enactment of this Act.

(G) APPLICATION.—This paragraph shall not apply to recoveries of overpayments if the appropriation from which the overpayment was made has not expired.

(4) FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM.—

(A) REQUIREMENT.—The head of each agency shall conduct a financial management improvement program, consistent with rules prescribed by the Director of the Office of Management and Budget.

(B) PROGRAM FEATURES.—In conducting the program, the head of the agency—

(i) shall, as the first priority of the program, address problems that contribute directly to agency improper payments; and

(ii) may seek to reduce errors and waste in other agency programs and operations.

(5) PRIVACY PROTECTIONS.—Any nongovernmental entity that, in the course of recovery auditing or recovery activity under this subsection, obtains information that identifies an individual or with respect to which there is a reasonable basis to believe that the information can be used to identify an individual, may not disclose the information for any purpose other than such recovery auditing or recovery activity and governmental oversight of such activity, unless disclosure for that other purpose is authorized by the individual to the executive agency that contracted for the performance of the recovery auditing or recovery activity.

(6) OTHER RECOVERY AUDIT REQUIREMENTS.—

(A) IN GENERAL.—(i) Except as provided in clause (ii), subchapter VI of chapter 35 of title 31, United States Code, is repealed.

(ii) Section 3562(a) of title 31, United States Code, shall continue in effect, except that references in such section 3562(a) to programs carried out under section 3561 of such title, shall be interpreted to mean programs carried out under section 2(h) of this Act.

(B) TECHNICAL AND CONFORMING AMENDMENTS.—

(i) TABLE OF SECTIONS.—The table of sections for chapter 35 of title 31, United States Code, is amended by striking the matter relating to subchapter VI.

(ii) DEFINITION.—Section 3501 of title 31, United States Code, is amended by striking “and subchapter VI of this title”.

(iii) HOMELAND SECURITY GRANTS.—Section 2022(a)(6) of the Homeland Security Act of 2002 (6 U.S.C. 612(a)(6)) is amended by striking “(as that term is defined by the Director of the Office of Management and Budget under section 3561 of title 31, United States Code)” and inserting “under section 2(h) of the Improper Payments Elimination and Recovery Act of 2010 (31 U.S.C. 3321 note)”.

(7) RULE OF CONSTRUCTION.—Except as provided under paragraph (5), nothing in this section shall be construed as terminating or in any way limiting authorities that are otherwise available to agencies under existing

provisions of law to recover improper payments and use recovered amounts.

(i) **REPORT ON RECOVERY AUDITING.**—Not later than 2 years after the date of the enactment of this Act, the Chief Financial Officers Council established under section 302 of the Chief Financial Officers Act of 1990 (31 U.S.C. 901 note), in consultation with the Council of Inspectors General on Integrity and Efficiency established under section 7 of the Inspector General Reform Act of 2009 (Public Law 110-409) and recovery audit experts, shall conduct a study of—

- (1) the implementation of subsection (h);
- (2) the costs and benefits of agency recovery audit activities, including—
 - (A) those activities under subsection (h); and
 - (B) the effectiveness of using the services of—
 - (i) private contractors;
 - (ii) agency employees;
 - (iii) cross-servicing from other agencies; or
 - (iv) any combination of the provision of services described under clauses (i) through (iii); and
- (3) submit a report on the results of the study to—
 - (A) the Committee on Homeland Security and Governmental Affairs of the Senate;
 - (B) the Committee on Oversight and Government Reform of the House of Representatives; and
 - (C) the Comptroller General.

SEC. 3. COMPLIANCE.

(a) **DEFINITIONS.**—In this section:

(1) **AGENCY.**—The term “agency” has the meaning given under section 2(f) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) as redesignated by this Act.

(2) **ANNUAL FINANCIAL STATEMENT.**—The term “annual financial statement” means the annual financial statement required under section 3515 of title 31, United States Code, or similar provision of law.

(3) **COMPLIANCE.**—The term “compliance” means that the agency—

- (A) has published an annual financial statement for the most recent fiscal year and posted that report and any accompanying materials required under guidance of the Office of Management and Budget on the agency website;
- (B) if required, has conducted a program specific risk assessment for each program or activity that conforms with section 2(a) the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note); and
- (C) if required, publishes improper payments estimates for all programs and activities identified under section 2(b) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) in the accompanying materials to the annual financial statement;
- (D) publishes programmatic corrective action plans prepared under section 2(c) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) that the agency may have in the accompanying materials to the annual financial statement;
- (E) publishes improper payments reduction targets established under section 2(c) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note) that the agency may have in the accompanying materials to the annual financial statement for each program assessed to be at risk, and is meeting such targets; and
- (F) has reported an improper payment rate of less than 10 percent for each program and activity for which an estimate was published under section 2(b) of the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note).

(b) **ANNUAL COMPLIANCE REPORT BY INSPECTORS GENERAL OF AGENCIES.**—Each fiscal year, the Inspector General of each agency shall determine whether the agency is in

compliance and submit a report on that determination to—

- (1) the head of the agency;
 - (2) the Committee on Homeland Security and Governmental Affairs of the Senate;
 - (3) the Committee on Oversight and Governmental Reform of the House of Representatives; and
 - (4) the Comptroller General.
- (c) **REMEDATION.**—
- (1) **NONCOMPLIANCE.**—

(A) **IN GENERAL.**—If an agency is determined by the Inspector General of that agency not to be in compliance under subsection (b) in a fiscal year, the head of the agency shall submit a plan to Congress describing the actions that the agency will take to come into compliance.

(B) **PLAN.**—The plan described under subparagraph (A) shall include—

- (i) measurable milestones to be accomplished in order to achieve compliance for each program or activity;
 - (ii) the designation of a senior agency official who shall be accountable for the progress of the agency in coming into compliance for each program or activity; and
 - (iii) the establishment of an accountability mechanism, such as a performance agreement, with appropriate incentives and consequences tied to the success of the official designated under clause (ii) in leading the efforts of the agency to come into compliance for each program and activity.
- (2) **NONCOMPLIANCE FOR 2 FISCAL YEARS.**—
- (A) **IN GENERAL.**—If an agency is determined by the Inspector General of that agency not to be in compliance under subsection (b) for 2 consecutive fiscal years for the same program or activity, and the Director of the Office of Management and Budget determines that additional funding would help the agency come into compliance, the head of the agency shall obligate additional funding, in an amount determined by the Director, to intensified compliance efforts.
- (B) **FUNDING.**—In providing additional funding described under subparagraph (A), the head of an agency shall use any reprogramming or transfer authority available to the agency. If after exercising that reprogramming or transfer authority additional funding is necessary to obligate the full level of funding determined by the Director of the Office of Management and Budget under subparagraph (A), the agency shall submit a request to Congress for additional reprogramming or transfer authority.

(3) **REAUTHORIZATION AND STATUTORY PROPOSALS.**—If an agency is determined by the Inspector General of that agency not to be in compliance under subsection (b) for more than 3 consecutive fiscal years for the same program or activity, the head of the agency shall, not later than 30 days after such determination, submit to Congress—

(A) reauthorization proposals for each program or activity that has not been in compliance for 3 or more consecutive fiscal years; or

(B) proposed statutory changes necessary to bring the program or activity into compliance.

(d) **COMPLIANCE ENFORCEMENT PILOT PROGRAMS.**—

(1) **IN GENERAL.**—The Director of the Office of Management and Budget may establish 1 or more pilot programs which shall test potential accountability mechanisms with appropriate incentives and consequences tied to success in ensuring compliance with this Act and eliminating improper payments.

(2) **REPORT.**—Not later than 5 years after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit a report to Congress on the findings associated with any pilot programs conducted under paragraph (1). The report

shall include any legislative or other recommendations that the Director determines necessary.

(e) **REPORT ON CHIEF FINANCIAL OFFICERS ACT OF 1990.**—Not later than 1 year after the date of the enactment of this Act, the Chief Financial Officers Council established under section 302 of the Chief Financial Officers Act of 1990 (31 U.S.C. 901 note) and the Council of Inspectors General on Integrity and Efficiency established under section 7 of the Inspector General Reform Act of 2009 (Public Law 110-409), in consultation with a broad cross-section of experts and stakeholders in Government accounting and financial management shall—

- (1) jointly examine the lessons learned during the first 20 years of implementing the Chief Financial Officers Act of 1990 (31 U.S.C. 901) and identify reforms or improvements, if any, to the legislative and regulatory compliance framework for Federal financial management that will optimize Federal agency efforts to—
 - (A) publish relevant, timely, and reliable reports on Government finances; and
 - (B) implement internal controls that mitigate the risk for fraud, waste, and error in Government programs; and
- (2) jointly submit a report on the results of the examination to—
 - (A) the Committee on Homeland Security and Governmental Affairs of the Senate;
 - (B) the Committee on Oversight and Government Reform of the House of Representatives; and
 - (C) the Comptroller General.

The **SPEAKER pro tempore**. Pursuant to the rule, the gentleman from Illinois (Mr. DAVIS) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois.

GENERAL LEAVE

Mr. DAVIS of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Office of Management and Budget recently reported that the Federal Government made \$98 billion in improper and overpayments last year. This is a staggering amount and completely unacceptable. No family or business in America would tolerate being charged twice or overbilled for anything, and neither should our government.

We need to do everything we can to ensure that the government spends every tax dollar in the most responsible way possible. In fact, we have an obligation to the taxpayers to fight waste, fraud and abuse and to ensure that if the government overpays for something, it has the means to recover those precious tax dollars.

The bill we're now considering, S. 1508, the Improper Payments Elimination and Recovery Act of 2010, will provide the government with the means to fulfill this obligation to the taxpayers.

Senate 1508 amends the Improper Payments Information Act of 2002 to require the head of each Federal agency to review agency programs and activities every 3 fiscal years and identify those programs that may be susceptible to significant improper payments. If agency heads determine that significant overpayments have occurred, they must then recover them by following the procedures in the act.

The bill also requires the agencies which make significant improper payments to implement internal controls and other procedures to help eliminate any future improper payments.

□ 1040

The House passed a companion bill, H.R. 3393, the Improper Payments Elimination Act of 2009, introduced by Representative PATRICK MURPHY on April 28, 2010, by a voice vote. S. 1508 has small but important changes from the base text in H.R. 3393. S. 1508 strengthens the bill by requiring recovery audit contractors to report the fraud they find and to conduct appropriate training on the means and methods to do so. S. 1508 also requires the agencies to report to Congress and OMB their actions and plans to address the recommendations they receive from the audit recovery contractors.

S. 1508 provides the Federal Government with the tools needed to prevent mistakes and overpayments in the first place, and recover funds that are paid in error. It makes Federal agencies more accountable for properly managing taxpayer funds. The bill requires agencies to develop and report corrective action plans based on measured error rates, and creates incentives for meeting their goals and penalties for failure. Importantly, the bill also gives the agency the means to go after the funds they have overpaid, which will make the taxpayer, agencies, programs, and activities which relied on those appropriations whole.

We are living in a time when our government is living under extreme fiscal demands, and we need to do everything possible to ensure that every tax dollar goes to where it is needed. To ensure this takes place, we need to provide our Federal agencies with the tools to properly manage their spending. We also need to give the agencies the ability to follow through with their oversight and provide them with the ability to recover erroneous payments. However, we cannot stop there. We must do everything we can to ensure that Federal agencies that make improper payments fix the problems that allowed the improper payments in the first place.

I would like to thank Representatives MURPHY, BILBRAY, TOWNS, and ISSA for working together in a truly bipartisan manner to get this important piece of legislation enacted into law. S. 1508 is a commonsense, good government bill, and I encourage my colleagues to join me in supporting it.

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

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

Mr. Speaker, I rise in support of Senate bill 1508, the Improper Payments Elimination and Recovery Act of 2010. The amount of waste, fraud, and abuse of taxpayer dollars by Federal agencies is absolutely staggering. The Office of Management and Budget, the OMB, has reported that nearly \$100 billion is wasted each year as a result of mistakes by our Federal agencies when paying for products and services. Last year, roughly \$98 billion was lost in improper payments, \$98 billion, the result of fraud or poor financial management. Half of this came from Medicare and Medicaid programs alone.

Ninety-eight billion dollars is more than double the budget of the Department of Homeland Security. At a time when our country is facing record budget deficits, we cannot afford to lose billions of dollars each year to mistakes and fraud.

Mr. Speaker, in April of this year, the House passed H.R. 3393, the companion to Senate bill 1508. The Senate has since made improvements to the legislation that will strengthen our ability to eliminate improper payments and recover lost funds. Like H.R. 3393, Senate bill 1508 helps prevent improper payments by requiring agencies to report their corrective action plans and improper payment reduction targets used to remedy their payment error problems, lowers the reporting threshold for improper payments, and expands the use of recovery auditing by requiring that all agencies with outlays of more than \$1 million perform recovery audits on their programs and activities to increase the recovery of overpayments.

Senate bill 1508 strengthens H.R. 3393 by requiring additional reporting and training related to fraud, and ensures that agencies take action to mitigate overpayment vulnerabilities by requiring agencies to report to the OMB and the Congress on the measures that they are taking.

Mr. Speaker, I urge all of my colleagues to support this important piece of legislation to help stop the waste, fraud, and abuse of the taxpayer dollars. We should expect nothing less.

Mr. Speaker, I yield such time as he may consume to one of the key people in the development of this legislation, my colleague from California (Mr. BILBRAY).

Mr. BILBRAY. I would like to thank the gentleman from Utah for yielding.

Mr. Speaker, I enjoyed working with PATRICK MURPHY, the gentleman from Pennsylvania, developing this bill, really looking at creating a transparent process so the American people can finally see what they have been telling Washington for a long time existed.

While this is a small step, it is a good example of what the American people have been demanding over the years, but especially just recently. I think all of us that go home and talk to our con-

stituents understand that the exchanges with the average citizen for a Member of Congress has been let's just say brisk to say the least. And one of the greatest things that the American people are upset about is the feeling that their money is not being handled appropriately, that the dollars and cents that the Federal Government is taking from them after they work hard for every dollar and cent is not being handled in an appropriate way that they feel confident with.

Today we are going to take an action that is a small step. It's not going to solve the problem, but it is very much an indication of the kind of action the American people have been demanding. The fact is it's time that the bipartisan forces in this Congress and in future Congresses understand that our greatest responsibility and obligation is not to the party leaders of either Republican or Democrat, but to the taxpayers who pay our salary, but more importantly, trust us with their hard-earned money to use it appropriately and responsibly.

Mr. Speaker, when we talk about this year facing a \$1.3 trillion deficit, I think that we have got to recognize it's time that we start doing what the American people are demanding. Ending improper payments is the low-hanging fruit right now. Basically, it's there for the picking. And that's probably why we are able to do it today.

Frankly, according to the Office of Management and Budget, we are talking about approximately \$98 billion. Now, \$98 billion seems to be an abstract, but consider the fact that that is almost twice what we spend on the homeland security budget. We talk about defending our neighborhoods, trying to secure our borders, trying to make sure terrorism stays out of our communities, we talk a lot about that. But when we recognize that we are now giving away, wrongly, twice as much money as we spend on our own homeland security, I think the American people have a reason to be outraged, and justifiably so.

By working in a bipartisan manner, we have been able to get the Senate to cooperate and craft a solution for this long-standing problem. And frankly, I think our bill really does set the goal that we should try to follow, and that is, let's find out how much more we can cooperate, how many more dollars we can save, and how much more credibility we can finally start bringing back to this body from the American people, for the American people. Our bill is endorsed by the budget watchdog organizations like the National Taxpayers Union and the Council on Citizens Against Government Waste.

Mr. Speaker, I have the privilege of serving as the ranking member for the Subcommittee on Procurement. I not only strongly ask my colleagues to support this bill, but I would like to leave you with a question, a question for Republicans and Democrats, but most importantly a question the American people would like to ask. And that

is, how much more could we save if this Congress was brave enough to look deeper into our budget and our expenditures? How much more could we be saving for the taxpayer or providing to the citizens if we were brave enough to really audit our own books the way we expect the private sector and citizens to do every year?

If we only had the bravery to look in and find the truth and take action on it, I think that when we go back to our districts there would be a different welcome, a different type of response. And frankly, I think the response we have received in the past is one that we have deserved. Hopefully, we will earn the right to deserve a more positive response from the constituents when we take this action and follow it up with more concrete action to make sure that we do maintain the trust.

So again, I ask Congress let's take this as a first step. I appreciate the support from my colleague from his great State to be able to say let's work together, let's make the move, but let's stop being in denial that there isn't more that Congress ought to do to maintain the integrity of our budget process.

Mr. DAVIS of Illinois. Mr. Speaker, at this time I yield such time as he may consume to one of the persons who worked extremely hard to bring this legislation to the floor and to craft a very excellent piece of legislation, Representative MURPHY.

Mr. PATRICK J. MURPHY of Pennsylvania. I thank the gentleman from Illinois for the time.

Mr. Speaker, I do want to thank my colleague from the other side of the aisle, Republican Representative BRIAN BILBRAY from California, for partnering with me on this bipartisan bill for commitment to fiscal responsibility. I also want to thank the other Chamber over in the Senate, specifically Senator TOM CARPER, for his tireless efforts in advancing this legislation over in the other body, and his Republican colleague on this bill, Senator JOHN MCCAIN.

□ 1050

Mr. Speaker, this legislation is proof that good things can happen when Democrats and Republicans are willing to work together and put their differences aside for commonsense measures to get things done for the American taxpayer.

Now, I am so proud that after 2 years of hard work on this piece of legislation, Mr. BILBRAY and I, after we vote on this today in this House because it just passed in the Senate, will be sending this bill to the President of the United States for signature and it will become law. In this time of tightened belts and strained budgets, it is more important than ever to get our fiscal house in order and to eliminate waste from our system and make sure that we earn the trust of the American taxpayer.

Mr. Speaker, my bill, the Improper Payments Elimination and Recovery

Act, is a bipartisan, commonsense solution to cut waste from the Federal budget and streamline the payment systems of Federal agencies.

Mr. Speaker, I know the American people would be horrified to learn that every day the Federal Government either overpays or pays twice the amount for products and services than they need to. In fiscal year 2009 alone, Federal agencies made nearly \$98 billion in improper payments. These improper payments occur as a result of fraud or from poor financial management systems that do not detect or prevent mistakes before Federal dollars are already out the door.

This bill, our bill, will help identify, reduce, and eliminate these improper payments. It will cut fraud and abuse by requiring agencies to develop action plans to avoid improper payments.

Mr. Speaker, I think now is the time that we must demand higher levels of fiscal management and accountability from each Federal agency. There needs to be repercussions of money misspent and wasted. That is why this legislation contains strong measures to hold those in power accountable for failing the American taxpayer. And perhaps most importantly, this legislation would force the Federal Government to reclaim more money that was improperly sent out.

My bill ensures that the Federal Government holds itself to the same standard of fiscal responsibility as any hard-working household or any business would across America and in my home district in Bucks County, Pennsylvania. It will save the American taxpayers billions of dollars that would otherwise be lost.

You know, Mr. Speaker, we already know that this legislation will work by setting stricter targets for reducing and recovering improper payments. The Office of Management and Budget was able to reduce errors in the food stamp program by a little more than half of a percentage point. But those stamps and a fraction of a percent saved the American taxpayer \$330 million just last year. That's one little program and one little agency, a half of a percentage point. That's \$330 million. That's \$330 million that can go to pay off our national debt, to provide tax relief to middle class families, or make critical investments in our future. With this bill, we can replicate that success in every single Federal agency and every program within the Federal Government.

Mr. Speaker, quite frankly, after 2 hard years to get this to this point today, we all know that this legislation is long overdue. The American people are demanding that this kind of action from our government today will happen, and it's about time.

So I want to thank Mr. BILBRAY. I want to thank Chairman TOWNS and Ranking Member DARRELL ISSA. I urge my colleagues to vote "yes," and finally, after years of hard work, that we pass this legislation on behalf of the American taxpayer.

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

Mr. DAVIS of Illinois. Mr. Speaker, my father always taught us that a penny saved was a penny earned. And, of course, if it's good enough for our families, it certainly is good enough for our national government.

I compliment the gentleman on the development of an excellent piece of legislation. I urge its passage.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. DAVIS) that the House suspend the rules and pass the bill, S. 1508.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. DAVIS of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

DAVID JOHN DONAFEE POST OFFICE BUILDING

Mr. DAVIS of Illinois. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5390) to designate the facility of the United States Postal Service located at 13301 Smith Road in Cleveland, Ohio, as the "David John Donafee Post Office Building".

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5390

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

SECTION 1. DAVID JOHN DONAFEE POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 13301 Smith Road in Cleveland, Ohio, shall be known and designated as the "David John Donafee Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the "David John Donafee Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. DAVIS) and the gentleman from Utah (Mr. CHAFFETZ) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois.

GENERAL LEAVE

Mr. DAVIS of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Mr. DAVIS of Illinois. Mr. Speaker, I yield such time as he may consume to