

Mr. Speaker, as a member of the Committee on Oversight and Government Reform, I am pleased to join my colleagues in the consideration of H.R. 4365, a bill to amend title 5, United States Code, to make clear that accounts in the Thrift Savings Fund are subject to Federal tax levies.

Current law authorizes the Internal Revenue Service to levy private sector 401(k) retirement plans in order to collect unpaid Federal taxes.

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However, due to an existing ambiguity between the Internal Revenue Code and the authorizing statute for the Federal Thrift Savings Plan, the IRS is unable to garnish TSP accounts to recover unpaid taxes from Federal employees and Members of Congress. In light of this statutory confusion, the Thrift Savings Plan's executive director requested clarification from our committee back in July of 2011 as to whether the TSP should honor Federal levies on TSP accounts.

H.R. 4365 would simply ensure that Federal TSP accounts and private sector 401(k) plans receive equal treatment in the area of tax administration and enforcement by amending the TSP authorizing statute to make clear that TSP fund accounts are, in fact, subject to Federal tax levies by the IRS. In addition, pursuant to an amendment offered by our distinguished ranking member, Mr. CUMMINGS of Maryland, and included in the bill as reported by our committee, any potential revenue derived from the enactment of H.R. 4365 may be used only for the purposes of deficit reduction.

In supporting this bill, I would note that the vast majority of our public servants pay their taxes in a responsible and timely manner. In fact, according to the most recent IRS statistics, the tax delinquency rate among Federal employees in 2010 was 3.33 percent, far lower than that of the general public.

Mr. Speaker, I urge my colleagues on both sides of the aisle to support this reasonable legislation, and I yield back the balance of my time.

Mr. CHAFFETZ. Mr. Speaker, this is a good, commonsense piece of legislation, and I urge its adoption.

I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. CHAFFETZ) that the House suspend the rules and pass the bill, H.R. 4365, as amended.

The question was taken.

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

Mrs. MALONEY. 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, further proceedings on this question will be postponed.

GOVERNMENT CHARGE CARD ABUSE PREVENTION ACT OF 2012

Mr CHAFFETZ. Mr. Speaker, I move to suspend the rules and pass the bill (S. 300) to prevent abuse of Government charge cards, as amended.

The Clerk read the title of the bill.

The text of the amendment is as follows:

Amendment:

Strike out all after the enacting clause and insert:

S. 300

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Charge Card Abuse Prevention Act of 2012".

SEC. 2. MANAGEMENT OF PURCHASE CARDS.

(a) GOVERNMENT-WIDE SAFEGUARDS AND INTERNAL CONTROLS.—

(1) IN GENERAL.—Chapter 19 of title 41, United States Code, is amended by adding at the end the following new section:

"§ 1909. Management of purchase cards

"(a) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS.—The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:

"(1) There is a record in each executive agency of each holder of a purchase card issued by the agency for official use, annotated with the limitations on single transactions and total transactions that are applicable to the use of each such card or check by that purchase card holder.

"(2) Each purchase card holder and individual issued a convenience check is assigned an approving official other than the card holder with the authority to approve or disapprove transactions.

"(3) The holder of a purchase card and each official with authority to authorize expenditures charged to the purchase card are responsible for—

"(A) reconciling the charges appearing on each statement of account for that purchase card with receipts and other supporting documentation; and

"(B) forwarding a summary report to the certifying official in a timely manner of information necessary to enable the certifying official to ensure that the Federal Government ultimately pays only for valid charges that are consistent with the terms of the applicable Government-wide purchase card contract entered into by the Administrator of General Services.

"(4) Any disputed purchase card charge, and any discrepancy between a receipt and other supporting documentation and the purchase card statement of account, is resolved in the manner prescribed in the applicable Government-wide purchase card contract entered into by the Administrator of General Services.

"(5) Payments on purchase card accounts are made promptly within prescribed deadlines to avoid interest penalties.

"(6) Rebates and refunds based on prompt payment, sales volume, or other actions by the agency on purchase card accounts are reviewed for accuracy and properly recorded as a receipt to the agency that pays the monthly bill.

"(7) Records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) are retained in accordance with standard Government policies on the disposition of records.

"(8) Periodic reviews are performed to determine whether each purchase card holder has a need for the purchase card.

"(9) Appropriate training is provided to each purchase card holder and each official with responsibility for overseeing the use of purchase cards issued by the executive agency.

"(10) The executive agency has specific policies regarding the number of purchase cards issued by various component organizations and categories of component organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued purchase cards, and that those policies are designed to minimize the financial risk to the Federal Government of the issuance of the purchase cards and to ensure the integrity of purchase card holders.

"(11) The executive agency uses effective systems, techniques, and technologies to prevent or identify illegal, improper, or erroneous purchases.

"(12) The executive agency invalidates the purchase card of each employee who—

"(A) ceases to be employed by the agency, immediately upon termination of the employment of the employee; or

"(B) transfers to another unit of the agency, immediately upon the transfer of the employee unless the agency determines that the units are covered by the same purchase card authority.

"(13) The executive agency takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or convenience check by an employee, including, as necessary, through salary offsets.

"(b) GUIDANCE.—The Director of the Office of Management and Budget shall review existing guidance and, as necessary, prescribe additional guidance governing the implementation of the requirements of subsection (a) by executive agencies.

"(c) PENALTIES FOR VIOLATIONS.—

"(1) IN GENERAL.—The head of each executive agency shall provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the agency violate agency policies implementing the guidance required by subsection (b) or make illegal, improper, or erroneous purchases with purchase cards or convenience checks.

"(2) DISMISSAL.—Penalties prescribed for employee misuse of purchase cards or convenience checks shall include dismissal of the employee, as appropriate.

"(3) REPORTS ON VIOLATIONS.—The guidance prescribed under subsection (b) shall direct each head of an executive agency with more than \$10,000,000 in purchase card spending annually, and each Inspector General of such an executive agency, on a semiannual basis, to submit to the Director of the Office of Management and Budget a joint report on violations or other actions covered by paragraph (1) by employees of such executive agency. At a minimum, the report shall set forth the following:

"(A) A summary description of confirmed violations involving misuse of a purchase card following completion of a review by the agency or by the Inspector General of the agency.

"(B) A summary description of all adverse personnel action, punishment, or other action taken based on each violation.

"(d) RISK ASSESSMENTS AND AUDITS.—The Inspector General of each executive agency shall—

"(1) conduct periodic assessments of the agency purchase card or convenience check programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments in order to develop a plan for using such risk assessments to determine the scope, frequency, and number of periodic audits of purchase card or convenience check transactions;

"(2) perform analysis or audits, as necessary, of purchase card transactions designed to identify—

"(A) potentially illegal, improper, or erroneous uses of purchase cards;

"(B) any patterns of such uses; and

"(C) categories of purchases that could be made by means other than purchase cards in order to better aggregate purchases and obtain lower prices (excluding transactions made under card-based strategic sourcing arrangements);

"(3) report to the head of the executive agency concerned on the results of such analysis or audits; and

“(4) report to the Director of the Office of Management and Budget on the implementation of recommendations made to the head of the executive agency to address findings of any analysis or audit of purchase card and convenience check transactions or programs for compilation and transmission by the Director to Congress and the Comptroller General.

“(e) RELATIONSHIP TO DEPARTMENT OF DEFENSE PURCHASE CARD REGULATIONS.—The requirements of this section shall not apply to the Department of Defense. See section 2784 of title 10 for provisions relating to management of purchase cards in the Department.”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of title 41, United States Code, is amended by adding at the end the following new item:

“1909. Management of purchase cards.”.

(b) CONFORMING AMENDMENTS TO DEPARTMENT OF DEFENSE PURCHASE CARD PROVISIONS.—Subsection (b) of section 2784 of title 10, United States Code, is amended—

(1) by moving paragraph (8) to the end of the subsection and redesignating that paragraph as paragraph (14);

(2) by redesignating paragraphs (2), (3), (4), (5), (6), and (7) as paragraphs (3), (4), (5), (6), (7), and (8), respectively;

(3) by inserting after paragraph (1) the following new paragraph (2):

“(2) That each purchase card holder and individual issued a convenience check is assigned an approving official other than the card holder with the authority to approve or disapprove transactions.”;

(4) by adding after paragraph (10) the following new paragraphs:

“(11) That the Department of Defense uses effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases.

“(12) That the Department of Defense takes appropriate steps to invalidate the purchase card of each card holder who—

“(A) in the case of an employee of the Department—

“(i) ceases to be employed by the Department, immediately upon termination of the employment of the employee; or

“(ii) transfers to another unit of the Department, immediately upon the transfer of the employee unless the Secretary of Defense determines that the units are covered by the same purchase card authority; and

“(B) in the case of a member of the armed forces, is separated or released from active duty or full-time National Guard duty.

“(13) That the Department of Defense takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or convenience check by an employee or member of the armed forces, including, as necessary, through salary offsets.”; and

(5) by adding at the end the following new paragraph:

“(15) That the Inspector General of the Department of Defense conducts periodic audits or reviews of purchase card or convenience check programs to identify and analyze risks of illegal, improper, or erroneous purchases and payments and that the findings of such audits or reviews, along with recommendations to prevent abuse of purchase cards or convenience checks, are reported to the Director of the Office of Management and Budget and Congress.”.

(c) DEADLINE FOR GUIDANCE ON MANAGEMENT OF PURCHASE CARDS.—The Director of the Office of Management and Budget shall prescribe the guidance required by section 1909(b) of title 41, United States Code, as added by subsection (a), not later than 180 days after the date of the enactment of this Act.

SEC. 3. MANAGEMENT OF TRAVEL CARDS.

Section 2 of the Travel and Transportation Reform Act of 1998 (Public Law 105-264; 5 U.S.C. 5701 note) is amended by adding at the end the following new subsection:

“(h) MANAGEMENT OF TRAVEL CHARGE CARDS.—

“(1) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS.—The head of each executive agency that has employees that use travel charge cards shall establish and maintain the following internal control activities to ensure the proper, efficient, and effective use of such travel charge cards:

“(A) There is a record in each executive agency of each holder of a travel charge card issued on behalf of the agency for official use, annotated with the limitations on amounts that are applicable to the use of each such card by that travel charge card holder.

“(B) Rebates and refunds based on prompt payment, sales volume, or other actions by the agency on travel charge card accounts are monitored for accuracy and properly recorded as a receipt of the agency that employs the card holder.

“(C) Periodic reviews are performed to determine whether each travel charge card holder has a need for the travel charge card.

“(D) Appropriate training is provided to each travel charge card holder and each official with responsibility for overseeing the use of travel charge cards issued by the executive agency.

“(E) Each executive agency has specific policies regarding travel charge cards issued for various component organizations and categories of component organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued travel charge cards, and designs those policies to minimize the financial risk to the Federal Government of the issuance of the travel charge cards and to ensure the integrity of travel charge card holders.

“(F) Each executive agency has policies to ensure its contractual arrangement with each travel charge card issuing contractor contains a requirement that the creditworthiness of an individual be evaluated before the individual is issued a travel charge card, and that no individual be issued a travel charge card if that individual is found not creditworthy as a result of the evaluation (except that this paragraph shall not preclude issuance of a restricted use, prepaid, declining balance, controlled-spend, or stored value card when the individual lacks a credit history or has a credit score below the minimum credit score established by the Director of the Office of Management and Budget). The Director of the Office of Management and Budget shall establish a minimum credit score for determining the creditworthiness of an individual based on rigorous statistical analysis of the population of card holders and historical behaviors. Notwithstanding any other provision of law, such evaluation shall include an assessment of an individual's consumer report from a consumer reporting agency as those terms are defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

“(G) Each executive agency uses effective systems, techniques, and technologies to prevent or identify improper purchases.

“(H) Each executive agency ensures that the travel charge card of each employee who ceases to be employed by the agency is invalidated immediately upon termination of the employment of the employee (or, in the case of a member of the uniformed services, upon separation or release from active duty or full-time National Guard duty).

“(I) Each executive agency shall ensure that, where appropriate, travel card payments are issued directly to the travel card-issuing bank for credit to the employee's individual travel card account.

“(2) GUIDANCE ON MANAGEMENT OF TRAVEL CHARGE CARDS.—Not later than 180 days after the date of the enactment of the Government Charge Card Abuse Prevention Act of 2012, the Director of the Office of Management and Budget shall review the existing guidance and, as necessary, prescribe additional guidance for

executive agencies governing the implementation of the requirements in paragraph (1).

“(3) INSPECTOR GENERAL AUDIT.—The Inspector General of each executive agency with more than \$10,000,000 in travel card spending shall conduct periodic audits or reviews of travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments. The findings of such audits or reviews along with recommendations to prevent improper use of travel cards shall be reported to the Director of the Office of Management and Budget and Congress.

“(4) PENALTIES FOR VIOLATIONS.—Consistent with the guidance prescribed under paragraph (2), each executive agency shall provide for appropriate adverse personnel actions to be imposed in cases in which employees of the executive agency fail to comply with applicable travel charge card terms and conditions or applicable agency regulations or commit fraud with respect to a travel charge card, including removal in appropriate cases.

“(5) DEFINITIONS.—In this subsection:

“(A) EXECUTIVE AGENCY.—The term ‘executive agency’ means an agency as that term is defined in subparagraphs (A) and (B) of section 5701(1) of title 5, United States Code.

“(B) TRAVEL CHARGE CARD.—The term ‘travel charge card’ means any Federal contractor-issued travel charge card that is individually billed to each card holder.”.

SEC. 4. MANAGEMENT OF CENTRALLY BILLED ACCOUNTS.

(a) REQUIRED INTERNAL CONTROLS FOR CENTRALLY BILLED ACCOUNTS.—The head of an executive agency that has employees who use a travel charge card that is billed directly to the United States Government shall establish and maintain the following internal control activities:

(1) The executive agency shall ensure that officials with the authority to approve official travel verify that centrally billed account charges are not reimbursed to an employee.

(2) The executive agency shall dispute unallowable and erroneous charges and track the status of the disputed transactions to ensure appropriate resolution.

(3) The executive agency shall submit requests to servicing airlines for refunds of fully or partially unused tickets, when entitled to such refunds, and track the status of unused tickets to ensure appropriate resolution.

(b) GUIDANCE.—Not later than 180 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall review the existing guidance and, as necessary, prescribe additional guidance for executive agencies implementing the requirements of subsection (a).

SEC. 5. DEFINITIONS.

In this Act:

(1) EXECUTIVE AGENCY.—The term ‘executive agency’ has the meaning given such term in section 133 of title 41, United States Code.

(2) EMPLOYEE.—The term ‘employee’ has the meaning given such term in section 2(d)(3) of the Travel and Transportation Reform Act of 1998 (Public Law 105-264; 5 U.S.C. 5701 note).

SEC. 6. CONSTRUCTION.

(a) EXECUTIVE AGENCY ACCOUNTING.—Nothing in this Act, or the amendments made by this Act, shall be construed to excuse the head of an executive agency from the responsibilities set out in section 3512 of title 31, United States Code, or in the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note).

(b) PERSONAL INFORMATION.—Nothing in this Act, or the amendments made by this Act, shall be construed to require the disclosure of personally identifying information that is otherwise protected from disclosure under section 552a of title 5, United States Code (popularly known as the Privacy Act of 1974).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Utah (Mr. CHAFFETZ) and the gentlewoman from New York (Mrs. MALONEY) each will control 20 minutes.

The Chair recognizes the gentleman from Utah.

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

GENERAL LEAVE

Mr. CHAFFETZ. I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

Mr. CHAFFETZ. S. 300 puts common-sense controls on the users of government charge cards which allow Federal workers to purchase goods and to travel in a timely and cost-efficient manner. In any economy, but especially the one we're in now, there is no room for waste, much less fraud and abuse. These safeguards will make all users of Federal charge cards accountable for their use.

While the use of charge cards has saved the Federal Government both time and money when compared to a paper reimbursement system, some Federal employees have abused their purchase and travel card privileges, resulting in unnecessary and sometimes fraudulent expenses.

Numerous GAO reports over the last decade have called for additional controls to prevent waste, fraud, and abuse in the government charge card program. In 2008, GAO estimated that nearly 41 percent of purchase card transactions failed to meet basic internal control standards.

Senator GRASSLEY has put the spotlight on the problematic use of government charge cards for more than a decade, and the GAO has documented fraudulent purchases made by Federal workers with these cards, including jewelry, gambling, cruises, and even the tab at gentlemen's clubs. Government charge cards were used to pay for the infamous GSA 2010 Western Regional Conference.

The Oversight Committee was able to work on a bipartisan basis with the Armed Services Committee to bring Senator GRASSLEY's bill, S. 300, to the floor today. The bill brings needed accountability to the process by which the Federal Government manages charge cards used by Federal employees.

S. 300 requires agencies to improve their internal controls for government charge cards. It is based largely on GAO's recommendations for preventing waste, fraud, and abuse. The additional safeguards resulting from the bill will avoid the waste of millions of dollars of taxpayer money on fraudulent or questionable purposes. The controls also help ensure the Federal Government benefits from rebates available from charge card vendors for prompt payment.

S. 300 requires agency inspectors general to periodically conduct risk assessments and perform audits to identify potential abuse of government charge cards. The bill also requires agencies to take appropriate disciplinary action, including removal, for Federal employees who misuse charge cards. This provision responds to GAO investigations that found inconsistent or nonexistent consequences for Federal employees who abuse these charge card privileges.

I will be placing into the RECORD a jurisdictional exchange of letters between the Committee on Armed Services and the Committee on Oversight and Government Reform.

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

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 14, 2012.
Hon. DARRELL E. ISSA,
Chairman, Committee on Oversight and Government Reform, House of Representatives, Washington, DC.

DEAR CHAIRMAN ISSA: I am writing to you concerning the bill S. 300, Government Charge Card Abuse Prevention Act of 2011, as amended. This legislation includes provisions that deal with the Department of Defense policies regarding government charge cards which fall within the Rule X jurisdiction of the Committee on Armed Services.

Our committee recognizes the importance of S. 300, and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over this legislation, the Committee on Armed Services will waive further consideration of S. 300. I do so with the understanding that by waiving consideration of the bill, the Committee on Armed Services does not waive any future jurisdictional claim over the subject matters contained in the bill which fall within its Rule X jurisdiction. I appreciate your willingness to work with the Committee on Armed Services to incorporate modifications requested by the Office of the Secretary of Defense to the legislation to be considered in the House. I request that you urge the Speaker to name members of this committee to any conference committee which is named to consider these provisions.

Please place this letter and your committee's response into the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our respective committees.

Sincerely,

HOWARD P. "BUCK" MCKEON,
Chairman.

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES,
Washington, DC, February 23, 2012.

Hon. HOWARD P. "BUCK" MCKEON,
Chairman, Committee on Armed Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding the Committee on Armed Services' jurisdictional interest in S. 300, the "Government Charge Card Abuse Prevention Act of 2011," and your willingness to forego consideration of S. 300 by your committee.

I agree that the Armed Services Committee has a valid jurisdictional interest in certain provisions of S. 300 and that the Committee's jurisdiction will not be adversely affected by your decision to forego consideration of the bill. As you have re-

quested, I will support your request for an appropriate appointment of outside conferees from your Committee in the event of a House-Senate conference on this or similar legislation should such a conference be convened.

Finally, I will include a copy of your letter and this response in the Congressional Record during the floor consideration of this bill. Thank you again for your cooperation.

Sincerely,

DARRELL ISSA,
Chairman.

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

The serious fiscal challenges facing the Federal Government demand that agencies do everything they can to operate as efficiently as possible. The Federal Government spends billions annually through its purchase card programs, using purchase cards and convenience checks to acquire millions of items—everything from paper and pencils to computers—and to make payments on government contracts for a variety of goods and services such as vehicles and relocation services.

The primary responsibility for purchasing these items rests with cardholders and the officials who approve their purchases. Because of the position of public trust held by Federal employees, Congress and the American people expect cardholders and approving officials to maintain stewardship over the Federal funds at their disposal. Specifically, purchase cardholders and approving officials are expected to follow published acquisition requirements and exercise a standard of care in acquiring goods and services that is necessary and reasonable for the proper operation of an agency.

Because every Federal dollar that is spent on fraudulent, improper, and abusive purchases is a dollar that cannot be used for necessary government goods and services, ensuring that purchase cards are used responsibly is of particular concern at a time when the United States is experiencing substantial fiscal challenges.

I strongly support Senator GRASSLEY's bill, on which he has worked many years, S. 300, because the legislation will require agencies to establish internal control activities over travel and charge cards. Agencies will be able to perform credit checks on potential recipients of travel cards. Agencies will also be able to appropriately discipline employees who misuse charge cards, including termination of their employment.

Most importantly, this legislation will keep agencies accountable for charge card misuse because the inspectors general of each agency will be required to examine charge card use twice a year and report any violations to the Office of Management and Budget.

I urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. CHAFFETZ. I appreciate the great work Senator GRASSLEY has done on this bill. I urge its adoption. I think

we can do so in a bipartisan way, and I urge a “yes” vote.

I yield back the balance of my time. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. CHAFFETZ) that the House suspend the rules and pass the bill, S. 300, as amended.

The question was taken.

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

Mrs. MALONEY. 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. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

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FEDERAL EMPLOYEE TAX ACCOUNTABILITY ACT OF 2012

Mr. CHAFFETZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 828) to amend title 5, United States Code, to provide that persons having seriously delinquent tax debts shall be ineligible for Federal employment, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 828

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 “Federal Employee Tax Accountability Act of 2012”.

SEC. 2. INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT.

(a) IN GENERAL.—Chapter 73 of title 5, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VIII—INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT

“§ 7381. Definitions

“For purposes of this subchapter—

“(1) the term ‘seriously delinquent tax debt’ means an outstanding debt under the Internal Revenue Code of 1986 for which a notice of lien has been filed in public records pursuant to section 6323 of such Code, except that such term does not include—

“(A) a debt that is being paid in a timely manner pursuant to an agreement under section 6159 or section 7122 of such Code;

“(B) a debt with respect to which a collection due process hearing under section 6330 of such Code, or relief under subsection (a), (b), or (f) of section 6015 of such Code, is requested or pending;

“(C) a debt with respect to which a levy has been issued under section 6331 of such Code (or, in the case of an applicant for employment, a debt with respect to which the applicant agrees to be subject to a levy issued under such section); and

“(D) a debt with respect to which relief under section 6343(a)(1)(D) of such Code is granted;

“(2) the term ‘employee’ means an employee in or under an agency, including an

individual described in sections 2104(b) and 2105(e); and

“(3) the term ‘agency’ means—

“(A) an Executive agency;

“(B) the United States Postal Service;

“(C) the Postal Regulatory Commission; and

“(D) an employing authority in the legislative branch.

“§ 7382. Ineligibility for employment

“(a) IN GENERAL.—Subject to subsection (c), any person who has a seriously delinquent tax debt shall be ineligible to be appointed or to continue serving as an employee.

“(b) DISCLOSURE REQUIREMENT.—The head of each agency shall take appropriate measures to ensure that each person applying for employment with such agency shall be required to submit (as part of the application for employment) certification that such person does not have any seriously delinquent tax debt.

“(c) REGULATIONS.—The Office of Personnel Management, in consultation with the Internal Revenue Service, shall, for purposes of carrying out this section with respect to the executive branch, promulgate any regulations which the Office considers necessary, except that such regulations shall provide for the following:

“(1) All due process rights, afforded by chapter 75 and any other provision of law, shall apply with respect to a determination under this section that an applicant is ineligible to be appointed or that an employee is ineligible to continue serving.

“(2) Before any such determination is given effect with respect to an individual, the individual shall be afforded 180 days to demonstrate that such individual’s debt is one described in subparagraph (A), (B), (C), or (D) of section 7381(a)(1).

“(3) An employee may continue to serve, in a situation involving financial hardship, if the continued service of such employee is in the best interests of the United States, as determined on a case-by-case basis.

“(d) REPORTS TO CONGRESS.—The Director of the Office of Personnel Management shall report annually to Congress on the number of exemptions made pursuant to subsection (c)(3).

“§ 7383. Review of public records

“(a) IN GENERAL.—Each agency shall provide for such reviews of public records as the head of such agency considers appropriate to determine if a notice of lien (as described in section 7381(1)) has been filed with respect to an employee of or an applicant for employment with such agency.

“(b) ADDITIONAL REQUESTS.—If a notice of lien is discovered under subsection (a) with respect to an employee or applicant for employment, the agency may—

“(1) request that the employee or applicant execute and submit a form authorizing the Secretary of the Treasury to disclose to the head of the agency information limited to describing whether the employee or applicant has a seriously delinquent tax debt; and

“(2) contact the Secretary of the Treasury to request tax information limited to describing whether the employee or applicant has a seriously delinquent tax debt.

“(c) AUTHORIZATION FORM.—The Secretary of the Treasury shall make available to all agencies a standard form for the authorization described in subsection (b)(1).

“(d) NEGATIVE CONSIDERATION.—The head of an agency, in considering an individual’s application for employment or in making an employee appraisal or evaluation, shall give negative consideration to a refusal or failure to comply with a request under subsection (b)(1).

“§ 7384. Confidentiality

“Neither the head nor any other employee of an agency may—

“(1) use any information furnished under the provisions of this subchapter for any purpose other than the administration of this subchapter;

“(2) make any publication whereby the information furnished by or with respect to any particular individual under this subchapter can be identified; or

“(3) permit anyone who is not an employee of such agency to examine or otherwise have access to any such information.”

(b) CLERICAL AMENDMENT.—The analysis for chapter 73 of title 5, United States Code, is amended by adding at the end the following:

“SUBCHAPTER VIII—INELIGIBILITY OF PERSONS HAVING SERIOUSLY DELINQUENT TAX DEBTS FOR FEDERAL EMPLOYMENT

“7381. Definitions.

“7382. Ineligibility for employment.

“7383. Review of public records.

“7384. Confidentiality.”

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 9 months after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. CHAFFETZ) and the gentleman from New York (Mrs. MALONEY) each will control 20 minutes.

The Chair recognizes the gentleman from Utah.

GENERAL LEAVE

Mr. CHAFFETZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on the bill under consideration.

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

There was no objection.

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

Mr. Speaker, almost every Federal employee that I have run into, they’re good, hardworking, patriotic people trying to do the right thing; but unfortunately we have a few that really aren’t doing the right thing.

I want to highlight a problem that we see out there. There are those Federal employees that are delinquent on their Federal taxes. Now, this becomes egregious, I think, because of the nature of their employment—they’re working for the Federal Government, they’re being paid by the Federal taxpayers, and yet they’re not paying their own Federal taxes.

Unfortunately, over the course of time this situation has not gotten better. People are dealing with very difficult situations, they have adopted something or somehow in their life they’ve gotten upside down. The nature and the spirit of this bill, the bill that I am the chief sponsor on, is to find those people who are trying to do the right thing—they’re trying to rectify it, they’re trying to come up with a plan—we’re not going after those people. But for the other group of people who are just totally ignoring the law