

Calendar No. 226

109TH CONGRESS
1ST SESSION

S. 1700

To establish an Office of the Hurricane Katrina Recovery Chief Financial Officer, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 2005

Mr. COBURN (for himself, Mr. OBAMA, Mr. FRIST, Mr. REID, Mr. LAUTENBERG, Mr. CARPER, and Mr. DEMINT, Mr. MCCAIN, Mr. CORNYN, Mr. GRASSLEY, Mr. BROWNBACK, Mr. GRAHAM, Mr. SANTORUM, Mr. SALAZAR, Mr. VOINOVICH, Mrs. CLINTON, Mr. LEVIN, Mr. BINGAMAN, Ms. COLLINS, Mr. LIEBERMAN, and Mr. REED) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

SEPTEMBER 27, 2005

Reported by Ms. COLLINS, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

A BILL

To establish an Office of the Hurricane Katrina Recovery Chief Financial Officer, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Oversight of Vital
3 Emergency Recovery Spending Enhancement and En-
4 forcement Act of 2005”.

5 **SEC. 2. DEFINITIONS.**

6 (a) CHIEF FINANCIAL OFFICER.—The term “Chief
7 Financial Officer” means the Hurricane Katrina Recovery
8 Chief Financial Officer.

9 (b) OFFICE.—The term “Office” means the Office of
10 the Hurricane Katrina Recovery Chief Financial Officer.

11 **SEC. 3. ESTABLISHMENT AND FUNCTIONS.**

12 (a) ESTABLISHMENT.—There is established within
13 the Executive Office of the President, the Office of the
14 Hurricane Katrina Recovery Chief Financial Officer.

15 (b) CHIEF FINANCIAL OFFICER.—

16 (1) APPOINTMENT.—The Hurricane Katrina
17 Recovery Chief Financial Officer shall be the head
18 of the Office. The Chief Financial Officer shall be
19 appointed by the President, by and with the advice
20 and consent of the Senate.

21 (2) QUALIFICATIONS.—The Chief Financial Of-
22 ficer shall have the qualifications required under sec-
23 tion 901(a)(3) of title 31, United States Code.

24 (c) FUNCTIONS.—

25 (1) IN GENERAL.—The Chief Financial Officer
26 shall—

1 (A) be responsible for the efficient and ef-
 2 fective use of Federal funds in all activities re-
 3 lating to the recovery from Hurricane Katrina;

4 (B) have all authorities and perform all
 5 functions of a Chief Financial Officer under
 6 section 902 of title 31, United States Code,
 7 with respect to all agencies and all Federal ac-
 8 tivities relating to the recovery from Hurricane
 9 Katrina in accordance with paragraph (2); and

10 (C) strive to ensure that—

11 (i) priority in the distribution of Fed-
 12 eral relief funds is given to individuals and
 13 organizations most in need of financial as-
 14 sistance; and

15 (ii) priority in the distribution of Fed-
 16 eral reconstruction funds is given to busi-
 17 ness entities that are based in Louisiana,
 18 Mississippi, Alabama, or Florida or busi-
 19 ness entities that hire workers who resided
 20 in those States on August 24, 2005.

21 (2) COORDINATION OF AGENCIES.—In the per-
 22 formance of the functions under paragraph (1)(B)
 23 by the Chief Financial Officer—

24 (A) the President shall act as the head of
 25 the agency and the Chief Financial Officer shall

1 have management and oversight of all agencies
2 performing activities relating to the recovery
3 from Hurricane Katrina for purposes of the ap-
4 plication of section 902 of title 31, United
5 States Code; and

6 (B) the Chief Financial Officer shall co-
7 ordinate and have management and oversight
8 responsibilities of each applicable Chief Finan-
9 cial Officer in the performance of functions
10 under section 902(a) (5) and (6) of title 31,
11 United States Code; instead of performing such
12 functions for each applicable agency.

13 ~~(3) REGULAR REPORTS.—~~

14 (A) IN GENERAL.—Every month the Chief
15 Financial Officer shall submit a financial report
16 on the activities for which the Chief Financial
17 Officer has management and oversight respon-
18 sibilities to—

19 (i) the Committee on Homeland Secu-
20 rity and Governmental Affairs of the Sen-
21 ate;

22 (ii) the Committee on Homeland Se-
23 curity of the House of Representatives;

1 (iii) the Committees on Appropria-
2 tions of the Senate and House of Rep-
3 resentatives; and

4 (iv) the Committee on Government
5 Reform of the House of Representatives.

6 (B) CONTENTS.—Each report under this
7 paragraph shall include—

8 (i) the extent to which Federal relief
9 funds have been given to individuals and
10 organizations most in need of financial as-
11 sistance;

12 (ii) the extent to which Federal recon-
13 struction funds have been made available
14 to business entities that are based in Lou-
15 isiana, Mississippi, Alabama, or Florida or
16 business entities that hire workers who re-
17 sided in those States on August 24, 2005;
18 and

19 (iii) the extent to which Federal agen-
20 cies have made use of sole source or cost-
21 plus contracts.

22 (C) FIRST REPORT.—The first report
23 under this paragraph shall be submitted for the
24 first full month for which a Chief Financial Of-
25 ficer has been appointed.

1 (d) RESPONSIBILITIES OF CHIEF FINANCIAL OFFI-
 2 CERS.—Nothing in this Act shall be construed as to relieve
 3 the responsibilities of any Chief Financial Officer under
 4 section 902 of title 31, United States Code.

5 (e) AVAILABILITY OF RECORDS.—Upon request to
 6 the Chief Financial Officer, the Office shall make the
 7 records of the Office available to the Inspector General
 8 of any Federal agency performing recovery activities relat-
 9 ing to Hurricane Katrina for the purpose of performing
 10 the duties of that Inspector General under the Inspector
 11 General Act of 1978 (5 U.S.C. App.).

12 **SEC. 4. REPORTS OF THE GOVERNMENT ACCOUNTABILITY**
 13 **OFFICE.**

14 The Office shall provide quarterly reports to the com-
 15 mittees specified in section 3(c)(3)(A) relating to all activi-
 16 ties and expenses approved by the Office, including—

17 (1) the accuracy of reports submitted by the
 18 Chief Financial Officer to Congress;

19 (2) the extent to which agencies performing ac-
 20 tivities relating to the recovery from Hurricane
 21 Katrina have made use of sole source or cost-plus
 22 contracts;

23 (3) the appropriate use of Federal funds by
 24 State and local government agencies;

1 (4) an analysis of whether Federal relief funds
 2 have been distributed to individuals and organiza-
 3 tions most in need of financial assistance and Fed-
 4 eral reconstruction funds have been made available
 5 to business entities that are based in Louisiana, Mis-
 6 sissippi, Alabama, or Florida or business entities
 7 that hire workers who resided in those States on Au-
 8 gust 24, 2005; and

9 (5) the extent to which waste, fraud, or abuse
 10 exist in the use of Federal funds relating to the re-
 11 covery from Hurricane Katrina.

12 **SEC. 5. ADMINISTRATIVE AND SUPPORT SERVICES.**

13 (a) **IN GENERAL.**—The President shall provide ad-
 14 ministrative and support services (including office space)
 15 for the Office and the Chief Financial Officer.

16 (b) **PERSONNEL.**—The President shall provide for
 17 personnel for the Office through the detail of Federal em-
 18 ployees. Any Federal employee may be detailed to the Of-
 19 fice without reimbursement, and such detail shall be with-
 20 out interruption or loss of civil service status or privilege.

21 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

22 There are authorized to be appropriated such sums
 23 as necessary to carry out this Act.

1 **SEC. 7. TERMINATION OF OFFICE.**

2 ~~(a) IN GENERAL.—The Office and position of Chief~~
 3 ~~Financial Officer shall terminate 1 year after the date of~~
 4 ~~enactment of this Act.~~

5 ~~(b) EXTENSION.—The President may extend the date~~
 6 ~~of termination under subsection (a) to any date occurring~~
 7 ~~before 2 years after the date of enactment of this Act.~~

8 **SECTION 1. SHORT TITLE.**

9 *This Act may be cited as the “Oversight of Vital Emer-*
 10 *gency Recovery Spending Enhancement and Enforcement*
 11 *Act of 2005”.*

12 **SEC. 2. DEFINITIONS.**

13 ~~(a) CHIEF FINANCIAL OFFICER.—The term “Chief Fi-~~
 14 ~~nancial Officer” means the Hurricane Katrina Recovery~~
 15 ~~Chief Financial Officer.~~

16 ~~(b) OFFICE.—The term “Office” means the Office of~~
 17 ~~the Hurricane Katrina Recovery Chief Financial Officer.~~

18 **SEC. 3. ESTABLISHMENT AND FUNCTIONS.**

19 ~~(a) ESTABLISHMENT.—There is established within the~~
 20 ~~Executive Office of the President, the Office of the Hurri-~~
 21 ~~cane Katrina Recovery Chief Financial Officer.~~

22 ~~(b) CHIEF FINANCIAL OFFICER.—~~

23 ~~(1) APPOINTMENT.—The Hurricane Katrina Re-~~
 24 ~~covery Chief Financial Officer shall be the head of the~~
 25 ~~Office. The Chief Financial Officer shall be appointed~~

1 *by the President, by and with the advice and consent*
 2 *of the Senate.*

3 (2) *QUALIFICATIONS.—The Chief Financial Offi-*
 4 *cer shall—*

5 (A) *have the qualifications required under*
 6 *section 901(a)(3) of title 31, United States Code;*
 7 *and*

8 (B) *have knowledge of Federal contracting*
 9 *and policymaking functions.*

10 (c) *AUTHORITIES AND FUNCTIONS.—*

11 (1) *IN GENERAL.—The Chief Financial Officer*
 12 *shall—*

13 (A) *be responsible for the efficient and effec-*
 14 *tive use of Federal funds in all activities relating*
 15 *to the recovery from Hurricane Katrina;*

16 (B) *strive to ensure that—*

17 (i) *priority in the distribution of Fed-*
 18 *eral relief funds is given to individuals and*
 19 *organizations most in need of financial as-*
 20 *sistance; and*

21 (ii) *priority in the distribution of Fed-*
 22 *eral reconstruction funds is given to busi-*
 23 *ness entities that are based in Louisiana,*
 24 *Mississippi, Alabama, or Florida or busi-*

1 *ness entities that hire workers who resided*
2 *in those States on August 24, 2005;*

3 *(C) perform risk assessments of all pro-*
4 *grams and operations related to recovery from*
5 *Hurricane Katrina and implement internal con-*
6 *trols and program oversight based on risk of*
7 *waste, fraud, or abuse;*

8 *(D) report directly to the head of the Office*
9 *regarding financial management matters;*

10 *(E) oversee all financial management ac-*
11 *tivities relating to the programs and operations*
12 *of the Hurricane Katrina recovery effort;*

13 *(F) develop and maintain an integrated ac-*
14 *counting and financial management system, in-*
15 *cluding financial reporting and internal con-*
16 *trols, which—*

17 *(i) complies with applicable accounting*
18 *principles, standards, and requirements,*
19 *and internal control standards;*

20 *(ii) complies with such policies and re-*
21 *quirements as may be prescribed by the Di-*
22 *rector of the Office of Management and*
23 *Budget;*

24 *(iii) complies with any other require-*
25 *ments applicable to such systems; and*

1 (iv) provides for—

2 (I) complete, reliable, consistent,
3 and timely information which is pre-
4 pared on a uniform basis and which is
5 responsive to the financial information
6 needs of the Office;

7 (II) the development and report-
8 ing of cost information;

9 (III) the integration of accounting
10 and budgeting information; and

11 (IV) the systematic measurement
12 of performance;

13 (G) monitor the financial execution of the
14 budget of Federal agencies relating to recovery
15 from Hurricane Katrina in relation to actual
16 expenditures, and prepare and submit to the
17 head of the Office timely performance reports;

18 (H) have access to all records, reports, au-
19 dits, reviews, documents, papers, recommenda-
20 tions, or other material which are the property
21 of Federal agencies or which are available to the
22 agencies, and which relate to programs and oper-
23 ations with respect to which the Chief Financial
24 Officer has responsibilities;

1 (I) request such information or assistance
2 as may be necessary for carrying out the duties
3 and responsibilities provided by this section from
4 any Federal, State, or local governmental entity,
5 including any Chief Financial Officer under sec-
6 tion 902 of title 31, United States Code, and,
7 upon receiving such request, insofar as is prac-
8 ticable and not in contravention of any existing
9 law, any such Federal Governmental entity or
10 Chief Financial Officer under section 902 shall
11 cooperate and furnish such requested information
12 or assistance;

13 (J) to the extent and in such amounts as
14 may be provided in advance by appropriations
15 Acts, be authorized to—

16 (i) enter into contracts and other ar-
17 rangements with public agencies and with
18 private persons for the preparation of fi-
19 nancial statements, studies, analyses, and
20 other services; and

21 (ii) make such payments as may be
22 necessary to carry out the provisions of this
23 section;

24 (K) for purposes of the Improper Payments
25 Information Act of 2002 (31 U.S.C. 3321 note),

1 perform, in consultation with the Office of Man-
2 agement and Budget, the functions of the head of
3 an agency for any activity relating to the recov-
4 ery from Hurricane Katrina that is not cur-
5 rently the responsibility of the head of an agency
6 under that Act; and

7 (L) transmit a report, on a quarterly basis,
8 regarding any program or activity identified by
9 the Chief Financial Officer as susceptible to sig-
10 nificant improper payments under section 2(a)
11 of the Improper Payments Information Act of
12 2002 (31 U.S.C. 3321 note) to the appropriate
13 inspector general.

14 (2) ACCESS.—Except as provided in paragraph
15 (1)(I), this subsection does not provide to the Chief
16 Financial Officer any access greater than permitted
17 under any other law to records, reports, audits, re-
18 views, documents, papers, recommendations, or other
19 material of any Office of Inspector General estab-
20 lished under the Inspector General Act of 1978 (5
21 U.S.C. App.).

22 (3) COORDINATION OF AGENCIES.—In the per-
23 formance of the authorities and functions under para-
24 graph (1) by the Chief Financial Officer the President
25 (or the President’s designee) shall act as the head of

1 *the Office and the Chief Financial Officer shall have*
 2 *management and oversight of all agencies performing*
 3 *activities relating to the recovery from Hurricane*
 4 *Katrina.*

5 (4) *REGULAR REPORTS.—*

6 (A) *IN GENERAL.—Every month the Chief*
 7 *Financial Officer shall submit a financial report*
 8 *on the activities for which the Chief Financial*
 9 *Officer has management and oversight respon-*
 10 *sibilities to—*

11 (i) *the Committee on Homeland Secu-*
 12 *rity and Governmental Affairs of the Sen-*
 13 *ate;*

14 (ii) *the Committee on Homeland Secu-*
 15 *rity of the House of Representatives;*

16 (iii) *the Committees on Appropriations*
 17 *of the Senate and House of Representatives;*
 18 *and*

19 (iv) *the Committee on Government Re-*
 20 *form of the House of Representatives.*

21 (B) *CONTENTS.—Each report under this*
 22 *paragraph shall include—*

23 (i) *the extent to which Federal relief*
 24 *funds have been given to individuals and*

1 *organizations most in need of financial as-*
 2 *sistance;*

3 (ii) *the extent to which Federal recon-*
 4 *struction funds have been made available to*
 5 *business entities that are based in Lou-*
 6 *isiana, Mississippi, Alabama, or Florida or*
 7 *business entities that hire workers who re-*
 8 *sided in those States on August 24, 2005;*
 9 *and*

10 (iii) *the extent to which Federal agen-*
 11 *cies have made use of sole source, no-bid or*
 12 *cost-plus contracts.*

13 (C) *FIRST REPORT.*—*The first report under*
 14 *this paragraph shall be submitted for the first*
 15 *full month for which a Chief Financial Officer*
 16 *has been appointed.*

17 (d) *RESPONSIBILITIES OF CHIEF FINANCIAL OFFI-*
 18 *CERS.*—*Nothing in this Act shall be construed to relieve the*
 19 *responsibilities of any Chief Financial Officer under section*
 20 *902 of title 31, United States Code.*

21 (e) *AVAILABILITY OF RECORDS.*—*Upon request to the*
 22 *Chief Financial Officer, the Office shall make the records*
 23 *of the Office available to the Inspector General of any Fed-*
 24 *eral agency performing recovery activities relating to Hur-*
 25 *ricane Katrina, or to any Special Inspector General des-*

1 *ignated to investigate such activities, for the purpose of per-*
 2 *forming the duties of that Inspector General under the In-*
 3 *spector General Act of 1978 (5 U.S.C. App.).*

4 **SEC. 4. REPORTS OF THE GOVERNMENT ACCOUNTABILITY**
 5 **OFFICE.**

6 *The Government Accountability Office shall provide*
 7 *quarterly reports to the committees described under section*
 8 *3(c)(4)(A) relating to all activities and expenditures over-*
 9 *seen by the Office, including—*

10 *(1) the accuracy of reports submitted by the*
 11 *Chief Financial Officer to Congress;*

12 *(2) the extent to which agencies performing ac-*
 13 *tivities relating to the recovery from Hurricane*
 14 *Katrina have made use of sole source, no-bid or cost-*
 15 *plus contracts;*

16 *(3) whether Federal funds expended by State and*
 17 *local government agencies were spent for their in-*
 18 *tended use;*

19 *(4) the extent to which Federal relief funds have*
 20 *been distributed to individuals and organizations*
 21 *most affected by Hurricane Katrina and Federal re-*
 22 *construction funds have been made available to busi-*
 23 *ness entities that are based in Louisiana, Mississippi,*
 24 *Alabama, or Florida or business entities that hire*

1 *workers who resided in those States on August 24,*
 2 *2005; and*

3 *(5) the extent to which internal controls to pre-*
 4 *vent waste, fraud, or abuse exist in the use of Federal*
 5 *funds relating to the recovery from Hurricane*
 6 *Katrina.*

7 **SEC. 5. ADMINISTRATIVE AND SUPPORT SERVICES.**

8 *(a) IN GENERAL.—The President shall provide admin-*
 9 *istrative and support services (including office space) for*
 10 *the Office and the Chief Financial Officer.*

11 *(b) PERSONNEL.—The President shall provide for per-*
 12 *sonnel for the Office through the detail of Federal employees.*
 13 *Any Federal employee may be detailed to the Office without*
 14 *reimbursement, and such detail shall be without interrup-*
 15 *tion or loss of civil service status or privilege.*

16 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

17 *There are authorized to be appropriated such sums as*
 18 *necessary to carry out this Act.*

19 **SEC. 7. TERMINATION OF OFFICE.**

20 *(a) IN GENERAL.—The Office and position of Chief Fi-*
 21 *nancial Officer shall terminate 1 year after the date of en-*
 22 *actment of this Act.*

23 *(b) EXTENSION.—The President may extend the date*
 24 *of termination annually under subsection (a) to any date*

1 *occurring before 5 years after the date of enactment of this*
2 *Act.*

3 (c) *NOTIFICATION.*—*The President shall notify the*
4 *committees described under section 3(c)(4)(A) 60 days be-*
5 *fore any extension of the date of termination under this sec-*
6 *tion.*

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A BILL

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Recovery Chief Financial Officer, and for other
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