

112TH CONGRESS
2D SESSION

S. 3600

To expand the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in Federal spending, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 20, 2012

Mr. WARNER (for himself and Mr. PORTMAN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To expand the Federal Funding Accountability and Transparency Act of 2006 to increase accountability and transparency in Federal spending, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Digital Accountability
5 and Transparency Act of 2012”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are to—

8 (1) expand the Federal Funding Accountability
9 and Transparency Act of 2006 by disclosing direct

1 Federal agency expenditures and linking Federal
2 contract, loan, and grant spending information to
3 programs of Federal agencies in order to enable tax-
4 payers and policy makers to track Federal spending
5 more effectively;

6 (2) provide consistent, reliable, and searchable
7 Government-wide spending data that is displayed ac-
8 curately for taxpayers and policy makers on
9 USASpending.gov;

10 (3) analyze Federal spending data to
11 proactively prevent waste, fraud, abuse, and im-
12 proper payments;

13 (4) simplify reporting for entities receiving Fed-
14 eral funds by streamlining reporting requirements
15 and reducing compliance costs while improving
16 transparency; and

17 (5) improve the quality of data submitted to
18 USASpending.gov by holding Federal agencies ac-
19 countable for the completeness and accuracy of the
20 data submitted.

1 **SEC. 3. AMENDMENTS TO THE FEDERAL FUNDING AC-**
 2 **COUNTABILITY AND TRANSPARENCY ACT OF**
 3 **2006.**

4 (a) IN GENERAL.—Section 2 of the Federal Funding
 5 Accountability and Transparency Act of 2006 (31 U.S.C.
 6 6101 note) is amended—

7 (1) in the section heading, by striking “**FULL**
 8 **DISCLOSURE OF ENTITIES RECEIVING FED-**
 9 **ERAL FUNDING**” and inserting “**DISCLOSURE OF**
 10 **FEDERAL FUNDING**”;

11 (2) in subsection (a)—

12 (A) by redesignating paragraphs (1), (2),
 13 and (3) as paragraphs (2), (4), and (8), respec-
 14 tively;

15 (B) by inserting before paragraph (2), as
 16 redesignated by subparagraph (A), the fol-
 17 lowing:

18 “(1) BOARD.—The term ‘Board’ means the
 19 Federal Accountability and Spending Transparency
 20 Board established under subsection (g)(1).”;

21 (C) by inserting after paragraph (2), as re-
 22 designated by subparagraph (A), the following:

23 “(3) FEDERAL AGENCY.—The term ‘Federal
 24 agency’ has the meaning given the term ‘Executive
 25 agency’ under section 105 of title 5, United States
 26 Code.”;

1 (D) by inserting after paragraph (4), as
 2 redesignated by subparagraph (A), the fol-
 3 lowing:

4 “(5) FEDERAL FUNDS.—The term ‘Federal
 5 funds’ means any funds that are made available to
 6 or expended by a Federal agency.

7 “(6) OBJECT CLASS.—The term ‘object class’
 8 means the category assigned for purposes of the an-
 9 nual budget of the President submitted under sec-
 10 tion 1105(a) of title 31, United States Code, to the
 11 type of property or services purchased by the Fed-
 12 eral Government.

13 “(7) PROGRAM ACTIVITY.—The term ‘program
 14 activity’ has the meaning given that term under sec-
 15 tion 1115(h) of title 31, United States Code.”; and

16 (E) in paragraph (8), as redesignated by
 17 subparagraph (A)—

18 (i) in subparagraph (B), by striking
 19 “paragraph (2)(A)(i)” and inserting “para-
 20 graph (4)(A)(i)”;

21 (ii) in subparagraph (C), by striking
 22 “paragraph (2)(A)(Ii)” and inserting
 23 “paragraph (4)(A)(ii)”;

24 (3) in subsection (b)(1)—

1 (A) by redesignating subparagraphs (A)
 2 through (G) as clauses (i) through (vii), respec-
 3 tively, and adjusting the margin accordingly;
 4 and

5 (B) by striking “for each Federal award—
 6 ” and inserting the following: “for all Federal
 7 funds—

8 “(A) for each Federal agency, component
 9 of a Federal agency, appropriations account,
 10 program activity, and object class (including
 11 any subcomponent of an object class), and other
 12 accounts or data as appropriate—

13 “(i) the amount of budget authority
 14 available;

15 “(ii) the amount obligated;

16 “(iii) the amount of outlays;

17 “(iv) the amount of any Federal funds
 18 reprogrammed or transferred; and

19 “(v) the amount of expired and unex-
 20 pired unobligated balances; and

21 “(B) for each Federal award—”;

22 (4) in subsection (c)—

23 (A) in paragraph (1)—

24 (i) in the matter preceding subpara-
 25 graph (A), by striking “and Grants.gov”

1 and inserting “Grants.gov, the Payment
 2 Automation Manager and Federal Infor-
 3 mation Repository and other data or data-
 4 bases from the Department of the Treas-
 5 ury, and other data from Federal agencies
 6 collected and identified by the Office of
 7 Management and Budget”;

8 (ii) in subparagraph (B), by adding
 9 “and” at the end; and

10 (iii) by adding at the end the fol-
 11 lowing:

12 “(C) specify such search shall be confined
 13 to Federal funds;”;

14 (B) in paragraph (2), by inserting “the
 15 Payment Automation Manager and Federal In-
 16 formation Repository and other data or data-
 17 bases from the Department of the Treasury,
 18 other data from Federal agencies collected and
 19 identified by the Office of Management and
 20 Budget,” after “Grants.gov website,”;

21 (C) in paragraph (4)—

22 (i) by striking “shall be updated not
 23 later” and inserting the following: “shall
 24 be updated—

25 “(A) not later”; and

1 (ii) by adding at the end the fol-
 2 lowing:

3 “(B) not less than once each quarter with
 4 information relating to Federal funds; and”;

5 (D) in paragraph (5)—

6 (i) by inserting “Federal funds and”
 7 before “Federal awards” the first place it
 8 appears;

9 (ii) by striking “subsection
 10 (a)(2)(A)(i) and those described in sub-
 11 section (a)(2)(A)(ii)” and inserting “sub-
 12 section (a)(4)(A)(i) and those described in
 13 subsection (a)(4)(A)(ii)”;

14 (iii) by striking the period at the end
 15 and inserting “; and”; and

16 (E) by adding at the end the following:

17 “(6) shall have the ability to aggregate data for
 18 the categories described in paragraphs (1) through
 19 (5) without double-counting data.”;

20 (5) by redesignating subsections (e), (f), and
 21 (g) as subsections (i), (j), and (k), respectively; and

22 (6) by inserting after subsection (d) the fol-
 23 lowing:

24 “(e) DEPARTMENT OF THE TREASURY REQUIRE-
 25 MENTS.—

1 “(1) IN GENERAL.—The Secretary of the
2 Treasury shall collect and make available to the Of-
3 fice of Management and Budget financial and pay-
4 ment data from Federal agencies to assist the Office
5 of Management and Budget in carrying out this sec-
6 tion.

7 “(2) DATA STANDARDS.—

8 “(A) IN GENERAL.—The Secretary of the
9 Treasury, in consultation with the Director of
10 the Office of Management and Budget, the
11 General Services Administration, and the heads
12 of Federal agencies, shall establish Government-
13 wide financial data standards for Federal
14 funds, which may—

15 “(i) include common data elements,
16 such as codes, unique award identifiers,
17 and fields, for financial and payment infor-
18 mation required to be reported by Federal
19 agencies;

20 “(ii) to the extent reasonable and
21 practicable, ensure interoperability and in-
22 corporate—

23 “(I) common data elements de-
24 veloped and maintained by an inter-
25 national voluntary consensus stand-

ards body, as defined by the Office of Management and Budget, such as the International Organization for Standardization;

“(II) common data elements developed and maintained by Federal agencies with authority over contracting and financial assistance, such as the Federal Acquisition Regulatory Council; and

“(III) common data elements developed and maintained by accounting standards organizations; and

“(iii) include data reporting standards that, to the extent reasonable and practicable—

“(I) incorporate a widely accepted, nonproprietary, searchable, platform-independent computer-readable format;

“(II) be consistent with and implement applicable accounting principles;

“(III) be capable of being continually upgraded as necessary; and

1 “(IV) incorporate nonproprietary
2 standards in effect on the date of en-
3 actment of the Digital Accountability
4 and Transparency Act of 2012.

5 “(B) DEADLINES.—

6 “(i) GUIDANCE.—The Secretary of
7 the Treasury, in consultation with the Di-
8 rector of the Office of Management and
9 Budget, shall issue guidance on the data
10 standards established under subparagraph
11 (A) to Federal agencies not later than 1
12 year after the date of enactment of the
13 Digital Accountability and Transparency
14 Act of 2012.

15 “(ii) AGENCIES.—Not later than 1
16 year after the date on which the guidance
17 under clause (i) is issued, each Federal
18 agency shall collect, report, and maintain
19 data in accordance with the data standards
20 established under subparagraph (A).

21 “(3) FRAUD CENTER.—

22 “(A) IN GENERAL.—The Secretary of the
23 Treasury, in consultation with the heads and
24 Inspectors General of Federal agencies, shall
25 use the data collected under paragraph (1) and

1 other available data (including available data
2 from State and local governments) to detect,
3 prevent, and recover improper payments
4 through pre-award, post-award pre-payment,
5 and post-payment analysis, which shall include
6 analysis and investigations incorporating—

7 “(i) review and data matching of pay-
8 ments and beneficiary enrollment lists of
9 State programs carried out using Federal
10 funds for the purposes of identifying eligi-
11 bility duplication, residency ineligibility,
12 duplicate payments, or other potential im-
13 proper payment issues;

14 “(ii) review of multiple Federal agen-
15 cies and programs for which comparison of
16 data could show payment duplication; and

17 “(iii) review of other information the
18 Secretary of the Treasury determines are
19 effective, which may include investigation
20 or review of information from multiple
21 Federal agencies or programs.

22 “(B) REPORT.—Not later than 180 days
23 after the date of enactment of the Digital Ac-
24 countability and Transparency Act of 2012, the
25 Secretary of the Treasury shall submit to Con-

1 gress a report, which may be included as part
2 of another report submitted to Congress, which
3 shall include a description of—

4 “(i) the implementation of the Fraud
5 Center described under subparagraph (A);
6 and

7 “(ii) the metrics used in determining
8 whether the Fraud Center has reduced, or
9 contributed to the reduction of, improper
10 payments or improper awards.

11 “(4) IMPROVEMENTS TO ACCESS TO DATA.—

12 “(A) IN GENERAL.—In order to carry out
13 this Act, upon request by the Secretary of the
14 Treasury—

15 “(i) the Commissioner of Social Secu-
16 rity shall make available the Social Secu-
17 rity earnings information of a living or de-
18 ceased employee;

19 “(ii) the Director of the Bureau of
20 Prisons shall make available information
21 relating to Federal prisoners; and

22 “(iii) the Secretary of Housing and
23 Urban Development shall make available
24 information in the Credit Alert Verification

1 System of the Department of Housing and
2 Urban Development.

3 “(B) USE AND PROTECTION OF INFORMA-
4 TION.—The Secretary of the Treasury—

5 “(i) may only use information ob-
6 tained under subparagraph (A) to assist in
7 Federal debt collection and in the preven-
8 tion, identification or recovery of improper
9 payments; and

10 “(ii) shall ensure that data collected
11 under paragraph (1) is adequately pro-
12 tected and collected in a manner consistent
13 with privacy protections provided for by
14 law.

15 “(f) STREAMLINE RECIPIENT FINANCIAL RE-
16 PORTS.—The Director of the Office of Management and
17 Budget shall—

18 “(1) review the reporting required by Federal
19 agencies for Federal award recipients to reduce du-
20 plicative financial reporting and compliance costs for
21 recipients;

22 “(2) request input from Federal award recipi-
23 ents to reduce duplicative financial reporting, espe-
24 cially from State and local governments and insti-
25 tutes of higher education;

1 “(3) provide instructions to the heads of Fed-
 2 eral agencies regarding how to simplify the reporting
 3 requirements for Federal award recipients to reduce
 4 duplicative reporting and reports to reduce compli-
 5 ance costs, as appropriate; and

6 “(4) submit to Congress a report regarding any
 7 legislative action required to streamline the report-
 8 ing requirements for Federal award recipients.

9 “(g) FEDERAL ACCOUNTABILITY SPENDING AND
 10 TRANSPARENCY BOARD.—

11 “(1) ESTABLISHMENT.—There is established an
 12 interagency advisory board to be known as the Fed-
 13 eral Accountability and Spending Transparency
 14 Board.

15 “(2) MEMBERS.—

16 “(A) IN GENERAL.—The Board shall con-
 17 sist of 5 members.

18 “(B) APPOINTMENT.—The members of the
 19 Board—

20 “(i) shall be appointed by the Presi-
 21 dent;

22 “(ii) except as provided in clause (iii),
 23 shall be an Inspector General, Chief Fi-
 24 nancial Officer, or Deputy Secretary of a
 25 Federal agency; and

1 “(iii) shall include not less than one
2 senior official from the Office of Manage-
3 ment and Budget.

4 “(C) CHAIRPERSON.—The President shall
5 designate a Chairperson from among the mem-
6 bers of the Board.

7 “(3) RESPONSIBILITIES.—The Board shall—

8 “(A) provide strategic direction for enhance-
9 ing the transparency of Federal spending based
10 on the purposes identified in section 2 of the
11 Digital Accountability and Transparency Act of
12 2012;

13 “(B) monitor the establishment of the Gov-
14 ernment-wide financial data standards under
15 subsection (e)(2)(A), to support increased
16 transparency and accountability;

17 “(C) monitor the collection, storage, and
18 public disclosure of information about Federal
19 spending transparency and compliance with this
20 Act;

21 “(D) advance efforts to remediate fraud,
22 waste, and abuse in Federal programs;

23 “(E) use the lessons learned from the ac-
24 tivities of the Recovery Accountability and
25 Transparency Board; and

1 “(F) solicit input from State and local gov-
2 ernments, institutes of higher education, and
3 other Federal award recipients on ways to im-
4 prove Federal financial reporting.

5 “(4) REPORTS.—The Chairperson of the Board,
6 in consultation with the Director of the Office of
7 Management and Budget, shall submit on a public
8 website, to the Committee on Homeland Security
9 and Governmental Affairs of the Senate and the
10 Committee on Oversight and Government Reform of
11 the House of Representatives an annual report re-
12 garding implementation of this Act.

13 “(5) TERMINATION OF SUPERSEDED BOARD.—
14 Effective on the date on which the President has ap-
15 pointed all members of the Board, the Government
16 Accountability and Transparency Board established
17 under Executive Order 13576 (76 Fed. Reg. 35297)
18 shall terminate.

19 “(h) ACCOUNTABILITY FOR FEDERAL FUNDING.—

20 “(1) IN GENERAL.—Not later than 1 year after
21 the date of enactment of the Digital Accountability
22 and Transparency Act of 2012, and every 2 years
23 thereafter, the Inspector General of each Federal
24 agency, in consultation with the Comptroller General
25 of the United States, shall submit to Congress and

1 make publically available a report on the complete-
2 ness, timeliness, quality, and accuracy of the data
3 submitted under this Act by the Federal agency and
4 the implementation and use of consistent data
5 standards by the Federal agency.

6 “(2) COMPTROLLER GENERAL.—

7 “(A) IN GENERAL.—Not later than 2 years
8 after the date of enactment of the Digital Ac-
9 countability and Transparency Act of 2012, and
10 every 2 years thereafter until the date that is
11 10 years after such date of enactment, and
12 after review of the reports submitted under
13 paragraph (1), the Comptroller General of the
14 United States shall submit to Congress and
15 make publically available a report on the data
16 completeness, timeliness, quality, and accuracy
17 of the data submitted under this Act by each
18 Federal agency and the implementation and use
19 of consistent data standards by each Federal
20 agency.

21 “(B) RANKING.—The Comptroller General
22 of the United States shall make available a
23 ranking of Federal agencies regarding data
24 quality, accuracy, and compliance with this
25 Act.”.

1 (b) CLASSIFIED AND PROTECTED INFORMATION.—
 2 Section 3 of the Federal Funding Accountability and
 3 Transparency Act of 2006 (31 U.S.C. 6101 note) is
 4 amended to read as follows:

5 **“SEC. 3. CLASSIFIED AND PROTECTED INFORMATION.**

6 “Nothing in this Act shall require the disclosure to
 7 the public or to any person without an identifiable need
 8 to know—

9 “(1) classified information;

10 “(2) personally identifiable information;

11 “(3) information that would compromise na-
 12 tional security;

13 “(4) information that would endanger the per-
 14 sonal safety of all entities employees or clients; or

15 “(5) information protected under section 552a
 16 of title 5, United States Code (commonly known as
 17 the ‘Privacy Act of 1974’), or section 6103 of the
 18 Internal Revenue Code of 1986.”.

19 (c) EXPANDING ACCESS BY THE SECRETARY OF THE
 20 TREASURY TO THE NATIONAL DIRECTORY OF NEW
 21 HIRES.—Section 453(j)(9) of the Social Security Act (42
 22 U.S.C. 653(j)(9)) is amended—

23 (1) in the paragraph heading, by inserting

24 “AND IN THE PREVENTION, IDENTIFICATION, AND

1 RECOVERY OF IMPROPER PAYMENTS” after “COL-
2 LECTION”;

3 (2) in subparagraph (A)—

4 (A) in the matter preceding clause (i), by
5 striking “with respect to persons—” and insert-
6 ing “to assist in Federal debt collection and in
7 the prevention, identification, or recovery of im-
8 proper payments with respect to—”;

9 (B) by striking “who owe” and inserting
10 the following: “persons—

11 “(I) who owe”;

12 (C) by striking “31 U.S.C. 3711(g).” and
13 inserting “section 3711(g) of title 31, United
14 States Code; or”;

15 (D) redesignating clause (ii) as subclause
16 (II), and adjusting the margin accordingly; and

17 (E) by adding at the end the following:

18 “(ii) persons—

19 “(I) who receive a payment the
20 head of a Federal executive, judicial,
21 or legislative agency certifies is under
22 review to determine the eligibility of
23 the person to receive the payment; or

24 “(II) whose eligibility, or con-
25 tinuing eligibility, to participate in a

1 program of the Federal Government
2 (including a program administered by
3 a State or local government) is being
4 reviewed.”;

5 (3) in subparagraph (B), by striking “to im-
6 prove collection of the debt” and inserting “for the
7 purposes”;

8 (4) in subparagraph (D), by striking “of col-
9 lecting the debt”;

10 (5) in subparagraph (E)—

11 (A) in clause (i), by striking “of collecting
12 the debt”;

13 (B) in clause (ii), by inserting “and to a
14 Federal, State, or local agency in connection
15 with preventing, identifying, or recovering im-
16 proper payments as described in subparagraph
17 (A)” before the period at the end;

18 (C) in clause (iv)(II), by striking “de-
19 scribed in subparagraph (A),” and all that fol-
20 lows and inserting “, in connection with a pur-
21 pose described in subparagraph (A), to a con-
22 tractor or agent of either Secretary, to the Fed-
23 eral agency (including any contractor or agent
24 of the Federal agency) that referred a debt to
25 the Secretary of the Treasury for collection, or

to a Federal, State, or local agency (including any contractor or agent of any such agency) for purposes of preventing, identifying, or recovering improper payments, subject to the conditions in clause (iii) and such additional conditions as agreed by the Secretaries.”; and

(D) in clause (v), by striking “collecting the debt” and inserting “the purposes”; and

(6) in subparagraph (F), by adding at the end the following: “The Secretary of the Treasury shall reimburse the Secretary for any costs attributable to the prevention, identification, or recovery of improper payments out of any appropriation available to the Secretary of the Treasury for this purpose.”.

SEC. 4. EXECUTIVE AGENCY ACCOUNTING AND OTHER FINANCIAL MANAGEMENT REPORTS AND PLANS.

Section 3512(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by inserting “and make available on the website described under section 1122” after “appropriate committees of Congress”;

(2) in paragraph (3)(B)(vi), by inserting “, system development, financial management workforce development, related risk assessment and mitigation

1 for the Federal Government as a whole, related risk
2 assessment and mitigation for executive agencies,
3 development of capacity to prevent and detect
4 fraud,” after “equipment acquisitions”; and

5 (3) in paragraph (4), by adding at the end the
6 following:

7 “(C) Not later than 90 days after the date of enact-
8 ment of the Digital Accountability and Transparency Act
9 of 2012, and every 90 days thereafter, the Director shall
10 submit to the appropriate committees of the Congress and
11 make available on the website described under section
12 1122 a report regarding—

13 “(i) specific goals for the most recent full fiscal
14 year, the fiscal year during which the report is sub-
15 mitted, and the fiscal year following the year during
16 which the report is submitted that are necessary
17 steps toward implementing the Federal Funding Ac-
18 countability and Transparency Act of 2006 (31
19 U.S.C. 6101 note) fully and in an effective, efficient,
20 and accurate manner;

21 “(ii) the estimated cost, schedule, and perform-
22 ance associated with goals described in clause (i)
23 that relate to capital investments in information
24 technology; and

1 “(iii) the status and progress achieved toward
2 each goal described in clause (i), including any
3 changes to the cost, schedule, or performance base-
4 lines of achieving each goal, using earned value man-
5 agement where appropriate.”.

○