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113TH CONGRESS
1ST SESSION

S. 994

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

MAY 21, 2013

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

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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.

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 ''Digital Accountability and Transparency Act of 2013''.

SEC. 2. PURPOSES.

The purposes of this Act are to—

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

Federal agency expenditures and linking Federal contract, loan, and grant spending information to programs of Federal agencies in order to enable taxpayers and policy makers to track Federal spending more effectively;

(2) provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately for taxpayers and policy makers on USASpending.gov;

(3) analyze Federal spending data to proactively prevent waste, fraud, abuse, and improper payments;

(4) simplify reporting for entities receiving Federal funds by streamlining reporting requirements and reducing compliance costs while improving transparency; and

(5) improve the quality of data submitted to USASpending.gov by holding Federal agencies accountable for the completeness and accuracy of the data submitted.

SEC. 3. AMENDMENTS TO THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT OF 2006.

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

(1) in the section heading, by striking ''**FULL DISCLOSURE OF ENTITIES RECEIVING FEDERAL FUNDING**'' and inserting ''**DISCLOSURE OF FEDERAL FUNDING**'';

(2) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (7), respectively;

(B) by inserting after paragraph (1) the following:

''(2) FEDERAL AGENCY.—The term 'Federal agency' has the meaning given the term 'Executive agency' under section 105 of title 5, United States Code.'';

(C) by inserting after paragraph (3), as redesignated by subparagraph (A), the following:

''(4) FEDERAL FUNDS.—The term 'Federal funds' means any funds that are made available to or expended by a Federal agency.

''(5) OBJECT CLASS.—The term 'object class' means the category assigned for purposes of the an-

nual budget of the President submitted under section 1105(a) of title 31, United States Code, to the type of property or services purchased by the Federal Government.

"(6) PROGRAM ACTIVITY.—The term 'program activity' has the meaning given that term under section 1115(h) of title 31, United States Code."; and

(D) in paragraph (7), as redesignated by subparagraph (A)—

(i) in subparagraph (B), by striking "paragraph (2)(A)(i)" and inserting "paragraph (3)(A)(i)"; and

(ii) in subparagraph (C), by striking "paragraph (2)(A)(ii)" and inserting "paragraph (3)(A)(ii)";

(3) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "the Office of Management and Budget" and inserting "the Secretary of the Treasury" each place it appears;

(ii) by redesignating subparagraphs (A) through (G) as clauses (i) through (vii), respectively, and adjusting the margin accordingly;

(iii) by striking ''for each Federal award—'' and inserting the following: ''for all Federal funds—

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

''(i) the amount of budget authority available;

''(ii) the amount obligated;

''(iii) the amount of outlays;

''(iv) the amount of any Federal funds reprogrammed or transferred; and

''(v) the amount of expired and unexpired unobligated balances; and

''(B) for each Federal award—''; and

(iv) in subparagraph (B)(iii), as so designated by this subparagraph, by inserting '', which shall be assigned a unique identifier,'' after ''information on the award'';

(B) in paragraph (3)—

(i) by striking ''Director of the Office of Management and Budget'' and inserting ''Secretary of the Treasury''; and

(ii) by striking ''the Director may'' and inserting ''the Secretary may'';

(C) in paragraph (4)—

(i) by striking ''Director of the Office of Management and Budget'' and inserting ''Secretary of the Treasury'';

(ii) by striking ''the Director upon'' and inserting ''the Secretary upon''; and

(iii) by striking ''the Director in'' and inserting ''the Secretary in''; and

(D) by adding at the end the following:

''(5) APPLICATION OF DATA STANDARDS.—The Secretary of the Treasury shall apply the data standards established by the Secretary of the Treasury under subsection (e) to all data collection, data dissemination, and data publication required under this section.

''(6) DATA FEED TO RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD.—The Secretary of the Treasury shall provide the data described in paragraph (1) to the Recovery Accountability and Transparency Board for inclusion in the

Recovery Operations Center described in subsection (h).'';

(4) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking ''and Grants.gov'' and inserting ''Grants.gov, the Payment Automation Manager and Federal Information Repository and other data or databases from the Department of the Treasury, the MAX Information System of the Office of Management and Budget, and other data from Federal agencies collected and identified by the Office of Management and Budget'';

(ii) in subparagraph (B), by adding ''and'' at the end; and

(iii) by adding at the end the following:

''(C) specify such search shall be confined to Federal funds;'';

(B) in paragraph (2), by inserting ''the Payment Automation Manager and Federal Information Repository and other data or databases from the Department of the Treasury, the

MAX Information System of the Office of Management and Budget, other data from Federal agencies collected and identified by the Office of Management and Budget,'' after ''Grants.gov website,'';

(C) in paragraph (4)—

(i) by striking ''shall be updated not later'' and inserting the following: ''shall be updated—

''(A) not later''; and

(ii) by adding at the end the following:

''(B) not less than once each quarter with information relating to Federal funds;'';

(D) in paragraph (5)—

(i) by inserting ''Federal funds and'' before ''Federal awards'' the first place it appears;

(ii) by striking ''subsection (a)(2)(A)(i) and those described in subsection (a)(2)(A)(ii)'' and inserting ''subsection (a)(3)(A)(i) and those described in subsection (a)(3)(A)(ii)''; and

(iii) by striking the period at the end and inserting a semicolon; and

(E) by adding at the end the following:

"(6) shall have the ability to aggregate data for the categories described in paragraphs (1) through (5) without double-counting data; and

"(7) shall permit all information published under this section to be downloaded in bulk.";

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

(6) by inserting after subsection (d) the following:

"(e) DEPARTMENT OF THE TREASURY REQUIREMENTS.—

"(1) DATA STANDARDS.—

"(A) IN GENERAL.—The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, the Administrator of General Services, and the heads of Federal agencies, shall establish Government-wide financial data standards for Federal funds, which shall—

"(i) include common data elements, such as codes, unique award identifiers, and fields, for financial and payment information required to be reported by Federal agencies and entities receiving Federal

funds, including identifiers for Federal awards and entities receiving Federal awards;

"(ii) to the extent reasonable and practicable, ensure interoperability and incorporate—

"(I) common data elements developed and maintained by an international voluntary consensus standards 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—

"(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;

"(IV) are structured to specifically support the reporting of financial and performance-related data, such as that any data produced, regardless of reporting need or software used for creation or consumption, is consistent and comparable across reporting situations;

"(V) establish, for each data point, a standard method of conveying the reporting period, reporting entity, unit of measure, and other associated attributes; and

"(VI) incorporate nonproprietary standards in effect on the date of en-

actment of the Digital Accountability and Transparency Act of 2013.

"(B) DEADLINES.—

"(i) GUIDANCE.—The Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall issue guidance on the data standards established under subparagraph (A) to Federal agencies not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2013.

"(ii) WEBSITE.—Not later than 1 year after the date on which the guidance under clause (i) is issued, the Director of the Office of Management and Budget shall ensure that the website required under this section makes data publically available in accordance with the data standards established under subparagraph (A).

"(iii) AGENCIES.—Not later than 180 days after the date on which the guidance under clause (i) is issued, each Federal agency shall collect, report, and maintain

data in accordance with the data standards established under subparagraph (A).

"(C) CONSULTATION.—The Secretary of the Treasury shall consult with public and private stakeholders in establishing data standards under this paragraph.

"(2) IMPROPER PAYMENT PREVENTION.—

"(A) IN GENERAL.—The Secretary of the Treasury, in consultation with the heads and Inspectors General of Federal agencies, shall use the data to which the data standards established under paragraph (1) apply and other available data (including available data from State and local governments) to detect, prevent, and recover improper payments through pre-award, post-award pre-payment, and post-payment analysis, which shall include analysis and investigations incorporating—

"(i) review and data matching of payments and beneficiary enrollment lists of State programs carried out using Federal funds for the purposes of identifying eligibility duplication, residency ineligibility, duplicate payments, or other potential improper payment issues;

"(ii) review of multiple Federal agencies and programs for which comparison of data could show payment duplication; and

"(iii) review of other information the Secretary of the Treasury determines are effective, which may include investigation or review of information from multiple Federal agencies or programs.

"(B) REPORT.—Not later than 180 days after the date of enactment of the Digital Accountability and Transparency Act of 2013, the Secretary of the Treasury shall submit to Congress a report, which may be included as part of another report submitted to Congress, which shall include a description of—

"(i) the implementation of the fraud prevention efforts described under subparagraph (A); and

"(ii) the metrics used in determining whether the fraud prevention efforts have reduced, or contributed to the reduction of, improper payments or improper awards.

"(3) IMPROVEMENTS TO ACCESS TO DATA.—

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

"(i) the Commissioner of Social Security shall make available the Social Security earnings information of a living or deceased employee;

"(ii) the Director of the Bureau of Prisons shall make available information relating to Federal prisoners; and

"(iii) the Secretary of Housing and Urban Development shall make available information in the Credit Alert Verification System of the Department of Housing and Urban Development.

"(B) USE AND PROTECTION OF INFORMATION.—The Secretary of the Treasury—

"(i) may only use information obtained under subparagraph (A) to assist in Federal debt collection and in the prevention, identification or recovery of improper payments; and

"(ii) shall ensure that data to which the data standards established under paragraph (1) apply is adequately protected

and collected in a manner consistent with privacy protections provided for by law.

"(f) CONSOLIDATED RECIPIENT FINANCIAL REPORTS.—The Director of the Office of Management and Budget shall—

"(1) review the financial reporting required by Federal agencies for Federal award recipients to reduce duplicative financial reporting and compliance costs for recipients;

"(2) request input from Federal award recipients to reduce duplicative financial reporting, especially from State and local governments and institutes of higher education;

"(3) not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2013, provide instructions to the heads of Federal agencies regarding how to simplify the reporting requirements for Federal award recipients to reduce duplicative reporting and reports to reduce compliance costs, as appropriate; and

"(4) not later than 18 months after the date of enactment of the Digital Accountability and Transparency Act of 2013, submit to Congress a report regarding any legislative action required to stream-

line the reporting requirements for Federal award recipients.

"(g) ACCOUNTABILITY FOR FEDERAL FUNDING.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Digital Accountability and Transparency Act of 2013, and every 2 years thereafter until the date that is 6 years after such date of enactment, the Inspector General of each Federal agency, in consultation with the Comptroller General of the United States, shall review a sampling of the spending data submitted under this Act by the Federal agency and shall submit to Congress and make publically available a report in on the completeness, timeliness, quality, and accuracy of the data sampled and the implementation and use of consistent data standards by the Federal agency.

"(2) COMPTROLLER GENERAL.—

"(A) IN GENERAL.—Not later than 2 years after the date of enactment of the Digital Accountability and Transparency Act of 2013, and every 2 years thereafter until the date that is 6 years after such date of enactment, and after review of the reports submitted under paragraph (1), the Comptroller General of the United States shall submit to Congress and

make publically available a report on the data completeness, timeliness, quality, and accuracy of the data submitted under this Act by each Federal agency and the implementation and use of consistent data standards by each Federal agency.

"(B) RANKING.—The Comptroller General of the United States shall make available a ranking of Federal agencies regarding data quality, accuracy, and compliance with this Act.

"(h) RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD.—

"(1) RESOURCES AND MECHANISMS.—The Recovery Accountability and Transparency Board shall develop and test information technology resources and oversight mechanisms to enhance the transparency of, and detect and remediate waste, fraud, and abuse in, Federal spending for Inspectors General.

"(2) WEBSITE.—The Recovery Accountability and Transparency Board shall maintain a website informing the public of the activities of the Recovery Accountability and Transparency Board to identify waste, fraud, and abuse and increase transparency

of Federal spending to provide analytical support for Inspectors General.

"(3) RECOVERY OPERATIONS CENTER.—The Recovery Accountability and Transparency Board shall establish and maintain a Recovery Operations Center as a governmentwide Internet-based data access system to carry out the functions described in paragraph (4).

"(4) FUNCTIONS OF THE RECOVERY OPERATIONS CENTER.—The functions described in this paragraph are the following:

"(A) IN GENERAL.—The Recovery Operations Center shall incorporate—

"(i) all information described in subsection (b)(1);

"(ii) other information maintained by Federal, State, local, and foreign government agencies; and

"(iii) other commercially and publicly available information.

"(B) SPECIFIC FUNCTIONS.—The Recovery Operations Center shall be designed and operated to carry out the following functions:

"(i) Combine information described in subsection (b)(1) with other compilations

of information, including those listed in subparagraph (A).

"(ii) Permit Inspectors Generals, in accordance with applicable law, to detect and remediate waste, fraud, and abuse.".

SEC. 4. PILOT PROGRAM TO EVALUATE CONSOLIDATED RECIPIENT REPORTING.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Recovery Accountability and Transparency Board, in consultation with the Secretary of the Treasury and the Director of the Office of Management, shall establish a pilot program relating to reporting by recipients of Federal funds (in this section referred to as the "pilot program") for the purpose of increasing financial transparency to—

(1) display the full cycle of Federal funds;

(2) improve the accuracy of Federal financial data; and

(3) develop recommendations for reducing reporting required of recipients of Federal funds by consolidating and automating financial reporting requirements across the Federal Government.

(b) REQUIREMENTS.—The pilot program shall—

(1) include recipients that collectively receive not less than $1,000,000,000 in Federal funds each fiscal year;

(2) include recipients that receive Federal funds under multiple programs across multiple agencies; and

(3) include recipients that collectively receive Federal funds under contracts, grants, and subawards.

(c) REPORTING AND EVALUATION REQUIREMENTS.—Each recipient of Federal funds participating in the pilot program shall submit to the Recovery Accountability and Transparency Board reports on the finances of the selected Federal awards.

(d) PUBLICATION OF INFORMATION.—All the information collected by the Recovery Accountability and Transparency Board under the pilot program shall be made publicly available and searchable on the website established under section 2 of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

(e) TERMINATION.—The pilot program shall terminate on the date that is 3 years after the date on which the Recovery Accountability and Transparency Board establishes the pilot program.

(f) REPORT TO CONGRESS.—Not later than 90 days after the date on which the pilot program terminates under subsection (e), the Recovery Accountability and Transparency Board shall submit to the Committee on Homeland Security and Governmental Affairs and the Committee on the Budget of the Senate and the Committee on Oversight and Government Reform and the Committee on the Budget of the House of Representatives a report on the pilot program, which shall include—

(1) a description of financial data collected under the pilot program, the accuracy of the data provided, and the cost to collect the data from recipients; and

(2) recommendations for—

(A) consolidating some or all aspects of Federal financial reporting to reduce the costs to recipients of Federal funds;

(B) automating some or all aspects of Federal financial reporting to increase efficiency and reduce the costs to recipients of Federal funds; and

(C) improving financial transparency.

SEC. 5. CLASSIFIED AND PROTECTED INFORMATION.

Section 3 of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) is amended to read as follows:

"SEC. 3. CLASSIFIED AND PROTECTED INFORMATION.

''Nothing in this Act shall require the disclosure to the public or to any person without an identifiable need to know—

''(1) information protected under section 552 of title 5, United States Code (commonly known as the 'Freedom of Information Act'); or

''(2) information protected under section 552a of title 5, United States Code (commonly known as the 'Privacy Act of 1974'), or section 6103 of the Internal Revenue Code of 1986.''.

SEC. 6. EXPANDING ACCESS BY THE SECRETARY OF THE TREASURY TO THE NATIONAL DIRECTORY OF NEW HIRES.

Section 453(j)(9) of the Social Security Act (42 U.S.C. 653(j)(9)) is amended—

(1) in the paragraph heading, by inserting ''AND IN THE PREVENTION, IDENTIFICATION, AND RECOVERY OF IMPROPER PAYMENTS'' after ''COLLECTION'';

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking ''with respect to persons—'' and inserting ''to assist in Federal debt collection and in the prevention, identification, or recovery of improper payments with respect to—'';

(B) by striking ''who owe'' and inserting the following: ''persons—

''(I) who owe'';

(C) by striking ''31 U.S.C. 3711(g).'' and inserting ''section 3711(g) of title 31, United States Code; or'';

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

(E) by adding at the end the following:

''(ii) persons—

''(I) who receive a payment the head of a Federal executive, judicial, or legislative agency certifies is under review to determine the eligibility of the person to receive the payment; or

''(II) whose eligibility, or continuing eligibility, to participate in a program of the Federal Government (including a program administered by

a State or local government) is being reviewed.'';

(3) in subparagraph (B), by striking ''to improve collection of the debt'' and inserting ''for the purposes'';

(4) in subparagraph (D), by striking ''of collecting the debt'';

(5) in subparagraph (E)—

(A) in clause (i), by striking ''of collecting the debt'';

(B) in clause (ii), by inserting ''and to a Federal, State, or local agency in connection with preventing, identifying, or recovering improper payments as described in subparagraph (A)'' before the period at the end;

(C) in clause (iv)(II), by striking ''described in subparagraph (A),'' and all that follows and inserting '', in connection with a purpose described in subparagraph (A), to a contractor or agent of either Secretary, to the Federal agency (including any contractor or agent of the Federal agency) that referred a debt to 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. 7. AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AMENDMENTS.

Title XV of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 286) is amended—

(1) in section 1501, by striking paragraph (4) and inserting the following:

''(4) COVERED FUNDS.—The term 'covered funds'—

''(A) except as provided in subparagraph (B), means any funds that are expended or obligated from appropriations made under this Act; and

"(B) for purposes of sections 1522 and 1524, means funds that are expended or obligated by an agency from appropriations made under this or any other Act.";

(2) in section 1512, by adding at the end the following:

"(i) EXPIRATION.—The requirements under this section shall terminate on September 30, 2013.";

(3) in section 1523, by adding at the end the following:

"(d) EXPIRATION.—The requirements under this section shall terminate on September 30, 2013.";

(4) in section 1526, by adding at the end the following:

"(e) EXPIRATION.—The requirements under this section shall terminate on September 30, 2013."; and

(5) in section 1530, by striking "September 30, 2013," and inserting "September 30, 2017.".

SEC. 8. DISASTER RELIEF APPROPRIATIONS ACT OF 2013 AMENDMENTS.

Section 904(d) of division A of the Disaster Relief Appropriations Act of 2013 (Public Law 113–2; 127 Stat. 18) is amended in section 904(d)—

(1) by striking "for purposes related to the impact of Hurricane Sandy";

(2) by striking ''related to the impact of Hurricane Sandy'' after ''receiving appropriations''; and

(3) by striking ''related to funds appropriated for the impact of Hurricane Sandy'' after ''on its activities''.

SEC. 9. 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 for the Federal Government as a whole, related risk assessment and mitigation for executive agencies, development of capacity to prevent and detect fraud,'' after ''equipment acquisitions''; and

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

''(C) Not later than 90 days after the date of enactment of the Digital Accountability and Transparency Act of 2013, and every 90 days thereafter, the Director shall

make available on the website described under section 1122 a report regarding—

"(i) specific goals for the most recent full fiscal year, the fiscal year during which the report is submitted, and the fiscal year following the year during which the report is submitted that are necessary steps toward implementing the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note) fully and in an effective, efficient, and accurate manner; and

"(ii) the status and progress achieved toward each goal described in clause (i), including any changes to the cost, schedule, or performance baselines of achieving each goal, using earned value management where appropriate.".

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