

Calendar No. 950106TH CONGRESS
2^D SESSION**S. 3030****[Report No. 106-502]**

To amend title 31, United States Code, to provide for executive agencies to conduct annual recovery audits and recovery activities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2000

Mr. THOMPSON (for himself and Mr. FITZGERALD) introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

OCTOBER 12 (legislative day, SEPTEMBER 22), 2000

Reported by Mr. THOMPSON, without amendment

A BILL

To amend title 31, United States Code, to provide for executive agencies to conduct annual recovery audits and recovery activities, 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. RECOVERY AUDITS.**

2 (a) RECOVERY AUDIT REQUIREMENT.—(1) Chapter
3 35 of title 31, United States Code, is amended by adding
4 at the end the following:

5 “SUBCHAPTER VI—RECOVERY AUDITS

6 “§ 3561. Definitions

7 “In this subchapter:

8 “(1) AMOUNTS COLLECTED.—The term
9 ‘amounts collected’ means monies received or cred-
10 ited, by any means, including offset, by the United
11 States Government.

12 “(2) CHIEF FINANCIAL OFFICER.—The term
13 ‘Chief Financial Officer’ means—

14 “(A) the official appointed or designated
15 under section 901 of this title; or

16 “(B) in the case of an executive agency
17 that is not required to have a Chief Financial
18 Officer under that section, an official of the
19 agency whose authority and functions are sub-
20 stantially equivalent to the authority and func-
21 tions of an agency Chief Financial Officer
22 under section 902 of this title.

23 “(3) DIRECTOR.—The term ‘Director’ means
24 the Director of the Office of Management and Budg-
25 et.

1 “(4) DISCLOSE.—The term ‘disclose’, with re-
2 spect to individually identifiable information on any
3 person, means release, publish, transfer, provide ac-
4 cess to, or otherwise divulge the individually identifi-
5 able information to any other person.

6 “(5) FACIAL-DISCREPANCY PAYMENT ERROR.—
7 The term ‘facial-discrepancy payment error’—

8 “(A) means, except as provided in sub-
9 paragraph (B), any error in a payment made by
10 an executive agency for goods or services that
11 is apparent from a review of the face of an in-
12 voice or other payment document that is pre-
13 sented to the executive agency by the supplier
14 of the goods or services in the usual and cus-
15 tomary conduct of business or pursuant to a re-
16 quirement in law or a contract to substantiate
17 the claim for the payment, including any such
18 document that is presented electronically; and

19 “(B) does not include a payment error
20 identified, resulting, or supported from a docu-
21 ment that is—

22 “(i) a record of a proprietary nature
23 that is maintained solely by the supplier of
24 the goods or services;

1 “(ii) not specifically required to be
2 presented to the executive agency by con-
3 tract, law, or regulation, or not necessary
4 for the substantiation of the claim for the
5 payment; or

6 “(iii) submitted to the executive agen-
7 cy for evaluative purposes before the award
8 of the contract under which the payment
9 was made.

10 “(6) INDIVIDUALLY IDENTIFIABLE INFORMA-
11 TION.—The term ‘individually identifiable informa-
12 tion’, with respect to a person, means any informa-
13 tion, whether oral or recorded in any form or me-
14 dium, that identifies the person or with respect to
15 which there is a reasonable basis to believe that the
16 information can be used to identify the person.

17 “(7) OVERSIGHT.—The term ‘oversight’, with
18 respect to a payment activity, recovery audit, or re-
19 covery activity, means activities by a Federal, State,
20 or local governmental entity to enforce laws relating
21 to, to investigate, or to regulate such audit or activ-
22 ity.

23 “(8) PAYMENT ACTIVITY.—The term ‘payment
24 activity’ means an executive agency activity to pay
25 nongovernmental sources for goods or services ac-

1 quired from those sources by the agency to support
2 the performance of the agency’s mission.

3 “(9) RECOVERY AUDIT.—The term ‘recovery
4 audit’ means a financial management technique of
5 an executive agency that is used by the executive
6 agency to perform internal audits of its records to
7 identify facial-discrepancy payment errors that are
8 made by the executive agency in connection with a
9 payment activity, including facial-discrepancy pay-
10 ment errors that result from any of the following:

11 “(A) Duplicate payments.

12 “(B) Invoice errors.

13 “(C) Failure to take advantage of applica-
14 ble discounts, rebates, or other allowances.

15 “(D) Any other similar facial-discrepancy
16 payment errors resulting in inaccurate pay-
17 ments, including underpayments identified pur-
18 suant to guidance issued under section
19 3565(b)(3) of this title.

20 “(10) RECOVERY ACTIVITY.—The term ‘recov-
21 ery activity’ means an executive agency activity to
22 attempt to collect, under the authority of chapter 37
23 of this title or any other provision of law, a payment
24 error identified in a recovery audit.

1 “(11) RECOVERY AUDIT CONTRACTOR.—The
2 term ‘recovery audit contractor’ means any private
3 sector person who is obligated under a contract en-
4 tered into with an executive agency to perform a re-
5 covery audit for the executive agency.

6 **“§ 3562. Recovery audit requirement**

7 “(a) IN GENERAL.—Except as exempted under sec-
8 tion 3566 of this title, the head of each executive agency—

9 “(1) shall conduct each fiscal year—

10 “(A) recovery audits of the payment activi-
11 ties of the agency for the preceding fiscal year
12 if the payment activities for the fiscal year total
13 at least \$500,000,000 (adjusted by the Director
14 annually for inflation); and

15 “(B) the recovery activities determined
16 warranted with respect to those payment activi-
17 ties; and

18 “(2) may conduct in any fiscal year—

19 “(A) recovery audits of the payment activi-
20 ties of the agency for the preceding fiscal year
21 if the payment activities for the fiscal year total
22 less than \$500,000,000 (adjusted by the Direc-
23 tor annually for inflation); and

1 “(B) the recovery activities determined
2 warranted with respect to those payment activi-
3 ties.

4 “(b) REQUEST FOR EXEMPTION.—The head of an ex-
5 ecutive agency required to conduct a recovery audit under
6 subsection (a)(1) may request that the Director exempt
7 a payment activity, in whole or in part, from that require-
8 ment if the head of the executive agency determines and
9 can demonstrate that the exemption is justified on any
10 basis described in section 3566(a) of this title.

11 “(c) PROCEDURES.—

12 “(1) IN GENERAL.—The head of each executive
13 agency shall prescribe procedures for the perform-
14 ance of recovery audits and recovery activities in the
15 agency that implement this section in a manner de-
16 signed to ensure the greatest financial benefit to the
17 United States.

18 “(2) SPECIFIC PROCEDURES.—In conducting
19 recovery audits and recovery activities under this
20 section, the head of an executive agency—

21 “(A) shall consult and coordinate with the
22 Chief Financial Officer and the Inspector Gen-
23 eral of the agency to avoid any duplication of
24 effort;

1 “(B) may conduct recovery audits and re-
2 covery activities regarding payments by the ex-
3 ecutive agency by using personnel of the agen-
4 cy’s payment office without reimbursement or
5 payment for services in accordance with the
6 standards issued by the Director under section
7 3565(b)(2) of this title, by procuring the per-
8 formance of recovery audits by contractors, or
9 by any combination of both methods; and

10 “(C) shall ensure that the recovery audits
11 and recovery activities are carried out con-
12 sistent with the standards issued by the Direc-
13 tor under section 3565(b)(2) of this title.

14 “(d) RECOVERY AUDIT CONTRACTS.—

15 “(1) AUTHORITY TO USE CONTINGENCY CON-
16 TRACTS.—Notwithstanding section 3302(b) of this
17 title, as consideration for performance of any recov-
18 ery audit procured by an executive agency, the head
19 of the executive agency may pay the recovery audit
20 contractor an amount equal to a percentage of the
21 total amount collected by the United States as a re-
22 sult of payment errors identified by the recovery
23 audit contractor in the audit.

24 “(2) CONSTRUCTION.—

1 “(A) RELATIONSHIP TO OTHER EXECU-
2 TIVE AUTHORITIES.—A contract for the per-
3 formance of a recovery audit shall not affect—

4 “(i) any authority of the head of an
5 executive agency, or any other person,
6 under the Contract Disputes Act of 1978
7 (41 U.S.C. 601 et seq.) and other applica-
8 ble laws, including authority to initiate liti-
9 gation or referrals for litigation; or

10 “(ii) the requirements of sections
11 3711, 3716, 3718, and 3720 of this title
12 that the head of an executive agency re-
13 solve disputes, compromise, or terminate
14 payment of error claims, collect by offset,
15 and otherwise engage in recovery activities
16 with respect to payment errors identified
17 by the recovery audit.

18 “(B) CONTRACTOR AUTHORITIES AND DU-
19 TIES.—Nothing in this subchapter shall be con-
20 strued to authorize a recovery audit contractor
21 with an executive agency—

22 “(i) to require the production of any
23 record or information by any person other
24 than an officer, employee, or agent of the
25 executive agency; or

1 “(ii) to establish, or otherwise have, a
2 physical presence on the property or prem-
3 ises of any private sector entity as part of
4 its contractual obligations to an executive
5 agency.

6 “(3) REQUIRED CONTRACT TERMS AND CONDI-
7 TIONS.—The head of an executive agency shall in-
8 clude in each contract for the procurement of the
9 performance of a recovery audit the following re-
10 quirements:

11 “(A) That the recovery audit contractor
12 protect from improper use and from disclosure
13 to any person inside or outside the recovery
14 audit contractor’s firm who is not directly in-
15 volved in the identification or recovery of pay-
16 ment errors—

17 “(i) any financial information that is
18 viewed or obtained in the course of car-
19 rying out a recovery audit for an executive
20 agency; and

21 “(ii) any other information so viewed
22 or obtained that has not been released for
23 general public use by the audited person or
24 an authorized agent of that person.

1 “(B) That the recovery audit contractor
2 submit to the head of the executive agency peri-
3 odic reports on conditions giving rise to pay-
4 ment errors identified by the recovery audit
5 contractor and any recommendations on how to
6 mitigate such conditions.

7 “(C) That the recovery audit contractor
8 notify the head of the executive agency of any
9 payment errors identified by the contractor per-
10 taining to the executive agency or to another
11 executive agency that are beyond the scope of
12 the contract.

13 “(D) That the recovery audit contractor
14 promptly notify the head of the executive agen-
15 cy of any indication of fraud or other criminal
16 activity discovered in the course of the audit.

17 “(4) EXECUTIVE AGENCY ACTION FOLLOWING
18 NOTIFICATION.—The head of an executive agency
19 shall take prompt and appropriate action in response
20 to a notification by a recovery audit contractor pur-
21 suant to the requirements under paragraph (3), in-
22 cluding forwarding to the head of another executive
23 agency any information that applies to that agency.

24 “(5) CONTRACTING REQUIREMENTS.—Before
25 contracting for any recovery audit, the head of an

1 executive agency shall determine and compare the
 2 cost of using employees of the United States to per-
 3 form the audit and the cost of procuring the per-
 4 formance of the audit from the private sector. The
 5 head of the executive agency shall use the outcome
 6 of the cost comparison process to determine whether
 7 to use the employees of the United States or to pro-
 8 cure recovery audit services from the private sector.

9 “(e) RELATIONSHIP TO AUTHORITY OF INSPECTORS
 10 GENERAL.—Nothing in this subchapter shall be construed
 11 as impairing the authority of an Inspector General under
 12 the Inspector General Act of 1978 or any other provision
 13 of law.

14 “(f) RELATIONSHIP TO REQUIREMENTS FOR PAY-
 15 MENTS FOR TRANSPORTATION.—Nothing in this sub-
 16 chapter shall be construed to affect the requirements and
 17 authorities provided in section 3726 of this title.

18 “(g) PRIVACY PROTECTIONS.—

19 “(1) LIMITATION ON DISCLOSURE OF INDIVID-
 20 UALLY IDENTIFIABLE INFORMATION.—

21 “(A) RESTRICTION.—Any recovery audit
 22 contractor that obtains individually identifiable
 23 information on a person through the perform-
 24 ance of a recovery audit or recovery activity
 25 under this subchapter may disclose that infor-

1 mation only for the purpose of such audit or ac-
2 tivity, respectively, and for the oversight of such
3 audit or activity, unless otherwise authorized by
4 that person.

5 “(B) SANCTIONS.—Any person that vio-
6 lates subparagraph (A) shall be liable for any
7 damages (including nonpecuniary damages,
8 costs, and attorneys’ fees) caused by the viola-
9 tion.

10 “(2) RETURN OF INFORMATION.—

11 “(A) REQUIREMENT.—Upon the date de-
12 termined under subparagraph (B), a recovery
13 audit contractor having possession of individ-
14 ually identifiable information disclosed in the
15 course of a recovery audit or recovery activity
16 that is performed under this subchapter by the
17 recovery audit contractor shall return it to the
18 person from whom it was obtained unless an-
19 other applicable law requires retention of the
20 information.

21 “(B) TIME FOR RETURN OF INFORMA-
22 TION.—The date referred to in subparagraph
23 (A) is the date of the conclusion of the matter
24 or need for which the information was dis-
25 closed, except that if, on that date, the recovery

1 audit contractor has actual notice of any over-
2 sight of the recovery audit or recovery activity,
3 the date referred to in subparagraph (A) is the
4 date of the conclusion of such oversight.

5 **“§ 3563. Disposition of amounts collected**

6 “(a) IN GENERAL.—Notwithstanding section
7 3302(b) of this title, the total amount collected in a fiscal
8 year by the United States as a result of recovery audits
9 by an executive agency under this subchapter shall be dis-
10 posed of in accordance with this section.

11 “(b) USE FOR RECOVERY AUDIT COSTS.—

12 “(1) CONTRACTOR PAYMENTS.—Amounts re-
13 ferred to in subsection (a) shall be available to the
14 executive agency to pay amounts owed to any recov-
15 ery audit contractor for performance of the audit.

16 “(2) OTHER COSTS.—Subject to the limitation
17 in subsection (e), amounts referred to in subsection
18 (a) shall be available to the executive agency—

19 “(A) to reimburse any applicable appro-
20 priation for other recovery audit costs incurred
21 by the executive agency with respect to the
22 audit; and

23 “(B) to pay any fees authorized under
24 chapter 37 of this title.

1 “(c) USE FOR MANAGEMENT IMPROVEMENT PRO-
2 GRAM.—Subject to the limitation in subsection (e), up to
3 a total of 25 percent (as determined under the guidance
4 issued under section 3565 of this title) of the amount re-
5 ferred to in subsection (a)—

6 “(1) shall be available to the executive agency
7 to carry out the management improvement program
8 of the agency under section 3564 of this title; and

9 “(2) may be credited for that purpose by the
10 head of the executive agency to any agency appro-
11 priation that is available for obligation at the time
12 of the collection and shall be merged with other
13 amounts in, and shall remain available for the same
14 period as, the appropriation to which credited.

15 “(d) REMAINDER TO TREASURY.—Subject to the lim-
16 itation in subsection (e), there shall be deposited into the
17 Treasury as miscellaneous receipts a sum equal to—

18 “(1) 50 percent of the amount referred to in
19 subsection (a); plus

20 “(2) any of that amount that remains
21 unallocated after the application of subsections (b)
22 and (c).

23 “(e) LIMITATION ON APPLICATION.—

24 “(1) IN GENERAL.—This section does not apply
25 to amounts collected through recovery audits and re-

1 covery activities to the extent that such application
2 would be inconsistent with another provision of law
3 that authorizes the crediting of the amounts to a
4 nonappropriated fund instrumentality, revolving
5 fund, working-capital fund, trust fund, or other fund
6 or account.

7 “(2) AMOUNTS PAID OUT OF CURRENTLY
8 AVAILABLE FUNDS.—Subsections (b)(2), (c), and (d)
9 shall not apply to amounts collected through recov-
10 ery audits and recovery activities that were paid out
11 of an appropriation or fund that remains available
12 for obligation at the time the amounts are collected.

13 **“§ 3564. Management improvement program**

14 “(a) IN GENERAL.—

15 “(1) REQUIRED PROGRAM.—The head of each
16 executive agency that is required to conduct recovery
17 audits under section 3562 of this title shall conduct
18 a management improvement program under this sec-
19 tion, consistent with guidelines prescribed by the Di-
20 rector.

21 “(2) DISCRETIONARY PROGRAM.—The head of
22 any other executive agency that conducts recovery
23 audits under section 3562 of this title that meet the
24 standards issued by the Director under section

1 3565(b)(2) may conduct a management improve-
2 ment program under this section.

3 “(b) PROGRAM FEATURES.—In conducting a man-
4 agement improvement program under this section, the
5 head of an executive agency—

6 “(1) shall, as the first priority of the program,
7 address problems that contribute directly to payment
8 errors of the executive agency; and

9 “(2) may seek to reduce errors and waste in
10 other programs and operations of that executive
11 agency by improving the executive agency’s staff ca-
12 pabilities, information technology, and financial
13 management.

14 “(c) INTEGRATION WITH OTHER ACTIVITIES.—The
15 head of an executive agency—

16 “(1) subject to paragraph (2), may integrate
17 the program under this section, in whole or in part,
18 with other management improvement programs and
19 activities of that agency or other executive agencies;
20 and

21 “(2) shall retain the ability to account specifi-
22 cally for the use of amounts available to the execu-
23 tive agency under section 3563 of this title.

1 **“§ 3565. Responsibilities of the Director of the Office**
2 **of Management and Budget**

3 “(a) IN GENERAL.—The Director shall coordinate
4 and oversee the implementation of this subchapter.

5 “(b) GUIDANCE.—

6 “(1) IN GENERAL.—The Director, in consulta-
7 tion with the Chief Financial Officers Council and
8 the President’s Council on Integrity and Efficiency,
9 shall issue guidance and provide support to the execu-
10 tive agencies for the implementation of this sub-
11 chapter.

12 “(2) RECOVERY AUDIT STANDARDS.—The Di-
13 rector shall include in the guidance standards for
14 the performance of recovery audits under this sub-
15 chapter. The Director shall develop the guidance in
16 consultation with the Comptroller General and pri-
17 vate sector experts on recovery audits, including
18 such experts who use recovery auditing as part of
19 their financial management procedures.

20 “(3) TREATMENT OF UNDERPAYMENTS.—The
21 guidance developed under this subsection shall in-
22 clude specific standards and procedures for the iden-
23 tification and disposition of facial-discrepancy pay-
24 ment errors that result in underpayments to ven-
25 dors.

1 “(c) FEE LIMITATIONS.—The Director may limit the
2 percentage amounts that may be paid to recovery audit
3 contractors under section 3562(d)(1) of this title.

4 **“§ 3566. Exemptions**

5 “(a) IN GENERAL.—The Director may exempt an ex-
6 ecutive agency, in whole or in part, from the requirement
7 to conduct recovery audits under section 3562(a)(1) of
8 this title if the Director determines that compliance with
9 the requirement—

10 “(1) would impair the performance of the agen-
11 cy’s mission; or

12 “(2) would not, or would no longer, be cost-ef-
13 fective.

14 “(b) REPORT TO CONGRESS.—The Director shall
15 promptly report the basis of any determination made and
16 exemption granted under subsection (a)(1) to Congress.

17 “(c) EXEMPTION OF CERTAIN CONTRACTS.—The re-
18 quirements of section 3562(a) of this title shall not apply
19 to any of the following contracts:

20 “(1) A contract that provides for periodic audit
21 of invoices pursuant to section 2313 of title 10 or
22 section 304C of the Federal Property and Adminis-
23 trative Services Act of 1949 (41 U.S.C. 254d).

24 “(2) A contract for which cost or pricing data
25 were required to be provided pursuant to section

1 2306a of title 10 or section 304A of the Federal
 2 Property and Administrative Services Act of 1949
 3 (41 U.S.C. 254b).

4 “(3) A contract that is subject to cost account-
 5 ing standards issued by the Cost Accounting Stand-
 6 ards Board under section 26 of the Office of Federal
 7 Procurement Policy Act (41 U.S.C. 422).”.

8 (2) The table of sections at the beginning of such
 9 chapter 35 is amended by adding at the end the following:

“SUBCHAPTER VI—RECOVERY AUDITS

“Sec.

“3561. Definitions.

“3562. Recovery audit requirement.

“3563. Disposition of amounts collected.

“3564. Management improvement program.

“3565. Responsibilities of the Director of the Office of Management and
 Budget.

“3566. Exemptions.”.

10 (b) APPLICATION TO ALL EXECUTIVE AGENCIES.—
 11 Section 3501 of title 31, United States Code, is amended
 12 by inserting “and subchapter VI of this chapter” after
 13 “section 3513”.

14 (c) INITIAL OMB GUIDANCE.—The Director of the
 15 Office of Management and Budget shall issue initial guid-
 16 ance under section 3565(b) of title 31, United States Code
 17 (as added by subsection (a)), not later than 180 days after
 18 the date of the enactment of this Act. The initial guidance
 19 shall include the standards required by paragraph (2) of
 20 such section.

1 (d) INITIAL RECOVERY AUDITS.—(1) The head of
2 each executive agency shall begin the first recovery audit
3 under section 3562(a)(1) of title 31, United States Code
4 (as added by subsection (a)), for payment activities re-
5 ferred to in that section by not later than 18 months after
6 the date of the enactment of this Act.

7 (2) The first recovery audit shall cover fiscal year
8 2001, the preceding fiscal year, and any additional fiscal
9 years before fiscal year 2000 that the head of the executive
10 agency determines that it is practical and cost-effective to
11 conduct, subject to any limitation regarding the period for
12 recordkeeping that is provided under applicable law.

13 (e) USE OF RESULTS.—A determination of whether
14 an individual is an original source for the purposes of sec-
15 tion 3730(e)(4) of title 31, United States Code, may not
16 be based in whole or in part on results of any recovery
17 audit conducted under section 3562 of such title.

18 (f) RECOVERY AUDIT PILOT PROGRAMS.—(1) The
19 Director of the Office of Management and Budget may
20 designate one or more executive agencies to carry out a
21 recovery audit pilot program for payment activities not de-
22 scribed in section 3561(8) of title 31, United States Code
23 (as added by subsection (a)), that involve payments to en-
24 tities providing services or making payments for or on be-
25 half of the Federal Government pursuant to contracts,

1 grants, or other arrangements with the executive agency
2 or agencies. The Director shall consult with the head of
3 the executive agency before designating an executive agen-
4 cy to carry out a pilot program under this subsection.

5 (2) The purposes of a pilot program of an executive
6 agency under this subsection are as follows:

7 (A) To test the feasibility and effectiveness of
8 conducting recovery audits with respect to payment
9 activities other than those related to Federal con-
10 tracts for the procurement of goods or services to
11 support the performance of the executive agency's
12 mission.

13 (B) To develop best practices for conducting re-
14 covery audits with respect to such payment activi-
15 ties.

16 (3) A recovery audit pilot program conducted under
17 this subsection shall be subject to the same authorities,
18 conditions, and limitations as other recovery audits con-
19 ducted under subchapter VI of chapter 35 of title 31,
20 United States Code (as added by subsection (a)).

21 (g) REPORTS.—(1) Not later than 30 months after
22 the date of the enactment of this Act, and annually for
23 each of the two years thereafter, the Director of the Office
24 of Management and Budget shall submit a report on the
25 implementation of subchapter VI of chapter 35 of title 31,

1 United States Code (as added by subsection (a)), to the
2 President and Congress. Each report shall include the fol-
3 lowing:

4 (A) A general description and evaluation of the
5 steps taken by the heads of executive agencies to
6 conduct recovery audits, including an inventory of
7 the programs and activities of each executive agency
8 that are subject to recovery audits.

9 (B) An assessment of the benefits of recovery
10 audits and recovery activities, including amounts
11 identified and recovered (including by administrative
12 offset).

13 (C) An identification of best practices that
14 could be applied to future recovery audits and recov-
15 ery activities.

16 (D) An identification of any significant prob-
17 lems or barriers to more effective performance of re-
18 covery audits and recovery activities.

19 (E) A description of executive agency expendi-
20 tures in the recovery audit process.

21 (F) A description of executive agency manage-
22 ment improvement programs under section 3564 of
23 title 31, United States Code (as added by subsection
24 (a)).

1 (G) Any recommendations for changes in execu-
2 tive agency practices or law or other improvements
3 that the Director believes would enhance the effec-
4 tiveness of the performance of executive agency re-
5 covery audits.

6 (H) A description and evaluation of each recov-
7 ery audit pilot program conducted under subsection
8 (f).

9 (2) Not later than 60 days after the submittal of each
10 report under paragraph (1), the Comptroller General of
11 the United States shall submit a report on the implemen-
12 tation of subchapter VI of chapter 35 of title 31, United
13 States Code, to Congress and the Director of the Office
14 of Management and Budget.

15 (h) STUDY.—(1) The Director of the Office of Man-
16 agement and Budget shall conduct a study of the effects
17 of recovery audits conducted by the heads of executive
18 agencies. The effects identified in the study shall include
19 any significant problems relating to the provision of im-
20 proper or inadequate notice of recovery audits to persons
21 who are audited.

22 (2) The Director shall submit a report on the study
23 to Congress. The report shall contain the Director's find-
24 ings, conclusions, and recommendations resulting from the
25 study.

Calendar No. 950

106TH CONGRESS
2D SESSION

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