

Calendar No. 754

110TH CONGRESS
2D SESSION**S. 3024****[Report No. 110-342]**

To authorize grants to the Eurasia Foundation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2008

Mr. BIDEN (for himself and Mr. LUGAR) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

JUNE 2, 2008

Reported by Mr. BIDEN, without amendment

A BILL

To authorize grants to the Eurasia Foundation, 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 “Eurasia Foundation
5 Act”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) There has been established in the District
2 of Columbia a private, nonprofit corporation known
3 as the Eurasia Foundation (hereafter in this Act re-
4 ferred to as the “Foundation”), which is not an
5 agency or establishment of the United States Gov-
6 ernment.

7 (2) In recognition of the valuable contributions
8 of the Foundation to long-range United States for-
9 eign policy interests, the United States Government
10 has, through the United States Agency for Inter-
11 national Development and the Department of State,
12 provided financial support for the Foundation.

13 (3) It is in the interest of the United States,
14 and the further strengthening of cooperation with
15 the countries of Eurasia, to establish a more perma-
16 nent mechanism for United States Government fi-
17 nancial support for the ongoing activities of the
18 Foundation, while preserving the independent char-
19 acter of the Foundation.

20 (b) PURPOSES.—The purposes of the Foundation are
21 to—

22 (1) promote civil society, private enterprise, and
23 sound public administration and policy only in the
24 countries of Eurasia and in lending encouragement
25 and assistance to citizens of such countries in their

1 own efforts to develop more open, just, and demo-
2 cratic societies;

3 (2) strengthen indigenous institutions only in
4 the countries of Eurasia in order to foster national
5 development, constructive social change, equitable
6 economic growth, and cooperative international rela-
7 tionships that are fully consistent with and sup-
8 portive of long-term United States interests with re-
9 spect to the countries of Eurasia; and

10 (3) conduct programs in response to initiatives
11 in the countries of Eurasia that would be difficult or
12 impossible for an official United States entity, and,
13 as a result of its position in the countries of Eur-
14 asia, to respond quickly and flexibly to meet new op-
15 portunities.

16 **SEC. 3. GRANTS TO THE FOUNDATION.**

17 (a) GRANTS REQUIRED.—

18 (1) IN GENERAL.—The Secretary of State shall
19 award an annual grant to the Foundation to enable
20 the Foundation to carry out the purposes described
21 in section 2(b).

22 (2) ADDITIONAL REQUIREMENTS.—Each grant
23 awarded under paragraph (1) shall—

24 (A) consist of funds specifically appro-
25 priated for grants to the Foundation; and

1 (B) be contingent upon a grant agreement
2 between the Secretary and the Foundation that
3 requires the Foundation to—

4 (i) only use grant funds for activities
5 that the Board of Directors of the Founda-
6 tion determines are consistent with the
7 purposes described in section 2(b); and

8 (ii) otherwise comply with the require-
9 ments of this Act.

10 (b) RULE OF CONSTRUCTION.—Nothing in this Act
11 may be construed to—

12 (1) make the Foundation an agency or estab-
13 lishment of the United States Government; or

14 (2) make the members of the Board of Direc-
15 tors of the Foundation, or the officers or employees
16 of the Foundation, officers or employees of the
17 United States.

18 (c) OVERSIGHT.—The Foundation and its grantees
19 shall be subject to the appropriate oversight procedures
20 of Congress.

21 (d) OTHER FUNDING.—The Foundation may accept
22 funding from non-United States Government sources to
23 complement United States Government funding.

24 (e) SENSE OF CONGRESS.—It is the sense of Con-
25 gress that—

1 (1) a Foundation, funded for fiscal year 2009
2 at the levels authorized under section 7, and at ap-
3 propriate levels in subsequent fiscal years, can con-
4 tribute significantly to the political, economic, and
5 social development of democracy and human rights
6 in the countries of Eurasia;

7 (2) notwithstanding the Foundation's distin-
8 guished record of performance, organizations that
9 seek competitive grants typically perform in a more
10 transparent and effective manner; and

11 (3) to the maximum extent possible, the Foun-
12 dation should seek competitive grants to supplement
13 appropriations from the United States Government,
14 and at least 20 percent of the funding received in
15 each fiscal year by the Foundation should be from
16 non-United States Government sources to ensure
17 continued strong performance of the Foundation.

18 **SEC. 4. ELIGIBILITY OF THE FOUNDATION FOR GRANTS.**

19 (a) **FUNDING FOR COVERED PROGRAMS ONLY.**—The
20 Foundation may provide funding only for programs that
21 are consistent with the purposes set forth in section 2(b).

22 (b) **COMPENSATION FOR OFFICERS AND EMPLOYEES**
23 **OF THE FOUNDATION.**—If an individual who is an officer
24 or employee of the United States Government serves as
25 a member of the Board of Directors or as an officer or

1 employee of the Foundation, that individual may not re-
2 ceive any compensation or travel expenses in connection
3 with service performed for the Foundation.

4 (c) PROHIBITION RESPECTING FINANCIAL MAT-
5 TERS.—The Foundation shall not issue any shares of
6 stock or declare or pay any dividends. No part of the as-
7 sets of the Foundation shall inure to the benefit of any
8 member of the Board of Directors of the Foundation, any
9 officer or employee of the Foundation, or any other indi-
10 vidual, except as salary or reasonable compensation for ex-
11 penses incurred in the performance of duties to the Foun-
12 dation.

13 (d) AUDIT OF ACCOUNTS; REPORTING REQUIRE-
14 MENTS.—

15 (1) AUDIT OF ACCOUNTS.—The accounts of the
16 Foundation shall be audited annually in accordance
17 with chapter 75 of title 31, United States Code.

18 (2) REPORTING REQUIREMENTS.—The report
19 of each such independent audit shall be included in
20 the annual report required under subsection (g). The
21 audit report shall set forth the scope of the audit
22 and include such statements as are necessary to
23 present fairly the Foundation's assets and liabilities,
24 surplus or deficit, with an analysis of the changes
25 therein during the year, supplemented in reasonable

1 detail by a statement of the Foundation's income
2 and expenses during the year, and a statement of
3 the application of funds, together with the inde-
4 pendent auditor's opinion of those statements.

5 (e) AUDIT OF FINANCIAL TRANSACTIONS.—

6 (1) AUDIT OF FINANCIAL TRANSACTIONS.—The
7 Government Accountability Office may audit the fi-
8 nancial transactions of the Foundation for each fis-
9 cal year in accordance with such principles, proce-
10 dures, rules, and regulations as may be prescribed
11 by the Comptroller General of the United States.

12 (2) REPORTING REQUIREMENTS.—The Comp-
13 troller General of the United States shall simulta-
14 neously submit, to the President, the Foundation,
15 and the appropriate congressional committees, a re-
16 port regarding each audit described in paragraph (1)
17 that contains—

18 (A) any comments and information as the
19 Comptroller General determines to be necessary
20 to inform the appropriate congressional commit-
21 tees of the financial operations and condition of
22 the Foundation; and

23 (B) any recommendations that the Comp-
24 troller General considers advisable.

1 (f) RECORDKEEPING REQUIREMENTS; AUDIT AND
2 EXAMINATION OF BOOKS.—

3 (1) RECORDKEEPING REQUIREMENTS.—The
4 Foundation shall ensure that each recipient of finan-
5 cial assistance provided through the Foundation
6 under this Act maintains such records as may be
7 reasonably necessary to—

8 (A) fully disclose—

9 (i) the amount and the disposition by
10 such recipient of the proceeds of such as-
11 sistance;

12 (ii) the total cost of the project or un-
13 dertaking in connection with which such
14 assistance is given or used; and

15 (iii) the amount and nature of that
16 portion of the cost of the project or under-
17 taking supplied by other sources; and

18 (B) facilitate an effective audit.

19 (2) AUDIT AND EXAMINATION OF BOOKS.—The
20 Foundation shall ensure that the Foundation, any of
21 its duly authorized representatives, the Comptroller
22 General of the United States, and any duly author-
23 ized representative of the Comptroller General has
24 access to any books, documents, papers, and records
25 of the recipient that are pertinent to assistance pro-

1 vided through the Foundation under this Act for the
2 purpose of audit and examination.

3 (g) ANNUAL REPORT; TESTIMONY RELATING TO RE-
4 PORT.—

5 (1) ANNUAL REPORT.—

6 (A) IN GENERAL.—Not later than June 30
7 of each year, the Foundation shall submit an
8 annual report for the preceding fiscal year to
9 the President and to the appropriate congress-
10 sional committees.

11 (B) CONTENTS.—The report submitted
12 under subparagraph (A)—

13 (i) shall include a comprehensive, de-
14 tailed report of the Foundation's oper-
15 ations, activities, financial condition, and
16 accomplishments under this Act;

17 (ii) should include any information re-
18 garding allegations or reports on the mis-
19 use of funds and how such allegations or
20 reports were addressed by the Foundation;
21 and

22 (iii) may include such recommenda-
23 tions as the Foundation determines to be
24 appropriate.

1 (2) TESTIMONY RELATING TO REPORT.—The
2 Board members and officers of the Foundation shall
3 be available to testify before appropriate committees
4 of the Congress with respect to—

5 (A) the report required under paragraph
6 (1);

7 (B) the report of any audit made by the
8 Comptroller General of the United States pur-
9 suant to subsection (e); or

10 (C) any other matter requested by any
11 such committee.

12 (h) GRANTEE; CONFLICT OF INTEREST.—A member
13 of the Board of Directors of the Foundation who serves
14 as a member of the board of directors or an officer of
15 a grantee of the Foundation—

16 (1) may not receive compensation for services
17 provided to the grantee; and

18 (2) shall be entitled to reimbursement for travel
19 and other expenses incurred by the member in con-
20 nection with the member's other duties on behalf of
21 such grantee.

1 **SEC. 5. AGREEMENT BETWEEN FOUNDATION AND SUC-**
2 **CESSOR OR RELATED ENTITY TO THE U.S.**
3 **RUSSIA INVESTMENT FUND.**

4 (a) **AGREEMENT REQUIRED.**—The Foundation and
5 any successor or related entity to the U.S. Russia Invest-
6 ment Fund shall enter into a memorandum of under-
7 standing for the purpose of—

8 (1) coordinating activities carried out by the
9 Foundation and the successor or related entity; and

10 (2) ensuring that the activities of 1 entity do
11 not duplicate the activities of the other entity.

12 (b) **DEADLINE.**—The Foundation and the successor
13 or related entity described in subsection (a) shall enter
14 into the memorandum of understanding described in sub-
15 section (a) by not later than the later of—

16 (1) 90 days after the date of the enactment of
17 this Act, if the successor or related entity is estab-
18 lished on or before the date of the enactment of this
19 Act; or

20 (2) 90 days after the date on which the suc-
21 cessor or related entity is established, if such entity
22 is established after the date of the enactment of this
23 Act.

24 (c) **SUBMISSION TO SECRETARY OF STATE AND CON-**
25 **GRESS.**—Not later than 30 days after the date on which
26 the parties enter into the memorandum of understanding

1 described in subsection (a), the Foundation and the suc-
2 cessor or related entity described in subsection (a) shall
3 submit a copy of the memorandum of understanding de-
4 scribed in subsection (a) to the Secretary of State and to
5 the appropriate congressional committees.

6 (d) SUCCESSOR OR RELATED ENTITY TO THE U.S.
7 RUSSIA INVESTMENT FUND DEFINED.—In this section,
8 the terms “successor or related entity to the U.S. Russia
9 Investment Fund” and “successor or related entity” mean
10 any organization, corporation, limited-liability partner-
11 ship, foundation, or other corporate structure that receives
12 any or all of the remaining funds of the U.S. Russia In-
13 vestment Fund after the liquidation of assets upon closure
14 of the U.S. Russia Investment Fund.

15 **SEC. 6. DEFINITIONS.**

16 In this Act:

17 (1) APPROPRIATE CONGRESSIONAL COMMIT-
18 TEES.—The term “appropriate congressional com-
19 mittees” means—

20 (A) the Committee on Foreign Relations of
21 the Senate; and

22 (B) the Committee on Foreign Affairs of
23 the House of Representatives.

24 (2) COUNTRIES OF EURASIA.—The term “coun-
25 tries of Eurasia” means Armenia, Azerbaijan, Bela-

1 rus, Georgia, Kazakhstan, the Kyrgyz Republic,
2 Moldova, the Russian Federation, Tajikistan, Turk-
3 menistan, Ukraine, and Uzbekistan.

4 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) IN GENERAL.—There are authorized to be appro-
6 priated to carry out this Act—

7 (1) \$15,000,000 for fiscal year 2009; and

8 (2) such sums as may be necessary for fiscal
9 year 2010.

10 (b) AVAILABILITY.—Amounts appropriated pursuant
11 to the authorization of appropriation under subsection (a)
12 are authorized to remain available until the date that is
13 2 years after the last day of the fiscal year for which the
14 amount was appropriated.

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