

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.

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## 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

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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.

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-



1           ards body, as defined by the Office of  
2           Management and Budget, such as the  
3           International Organization for Stand-  
4           ardization;

5                   “(II) common data elements de-  
6           veloped and maintained by Federal  
7           agencies with authority over con-  
8           tracting and financial assistance, such  
9           as the Federal Acquisition Regulatory  
10          Council; and

11                   “(III) common data elements de-  
12          veloped and maintained by accounting  
13          standards organizations; and

14                   “(iii) include data reporting standards  
15          that, to the extent reasonable and prac-  
16          ticable—

17                   “(I) incorporate a widely accept-  
18          ed, nonproprietary, searchable, plat-  
19          form-independent computer-readable  
20          format;

21                   “(II) be consistent with and im-  
22          plement applicable accounting prin-  
23          ciples;

24                   “(III) be capable of being contin-  
25          ually 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

1 to a Federal, State, or local agency (including  
2 any contractor or agent of any such agency) for  
3 purposes of preventing, identifying, or recov-  
4 ering improper payments, subject to the condi-  
5 tions in clause (iii) and such additional condi-  
6 tions as agreed by the Secretaries.”; and

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

9 (6) in subparagraph (F), by adding at the end  
10 the following: “The Secretary of the Treasury shall  
11 reimburse the Secretary for any costs attributable to  
12 the prevention, identification, or recovery of im-  
13 proper payments out of any appropriation available  
14 to the Secretary of the Treasury for this purpose.”.

15 **SEC. 4. EXECUTIVE AGENCY ACCOUNTING AND OTHER FI-**  
16 **NANCIAL MANAGEMENT REPORTS AND**  
17 **PLANS.**

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

20 (1) in paragraph (1), by inserting “and make  
21 available on the website described under section  
22 1122” after “appropriate committees of Congress”;

23 (2) in paragraph (3)(B)(vi), by inserting “, sys-  
24 tem development, financial management workforce  
25 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.”.

○