

115TH CONGRESS 1ST SESSION

H. R. 2040

To impose consequences on the Department of Defense for any failure to meet statutory deadlines for validation of financial statements of the Department of Defense as ready for audit and for completion of a full audit on financial statements of the Department of Defense for fiscal year 2018.

IN THE HOUSE OF REPRESENTATIVES

April 6, 2017

Mr. Lewis of Minnesota introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To impose consequences on the Department of Defense for any failure to meet statutory deadlines for validation of financial statements of the Department of Defense as ready for audit and for completion of a full audit on financial statements of the Department of Defense for fiscal year 2018.

- 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 "Defense Spending Ac-
- 5 countability Act".

1	SEC. 2. EFFECT OF FAILURE TO MEET DEADLINES FOR
2	VALIDATION OF FINANCIAL STATEMENTS OF
3	THE DEPARTMENT OF DEFENSE AS READY
4	FOR AUDIT AND FOR SUBMISSION OF FULL
5	AUDIT ON FINANCIAL STATEMENTS OF THE
6	DEPARTMENT OF DEFENSE FOR FISCAL YEAR
7	2018.
8	(a) Pay Reduction for Failure To Meet Dead-
9	LINES.—Subject to subsection (b), but notwithstanding
10	any other provision of law, the annual rate of pay for each
11	Department of Defense position listed in subsection (c)—
12	(1) beginning with the first pay period com-
13	mencing on or after the deadline specified in section
14	1003(a)(2)(A)(ii) of the National Defense Authoriza-
15	tion Act for Fiscal Year 2010 (Public Law 111–84;
16	10 U.S.C. 2222 note), and for each pay period
17	thereafter, shall be reduced by 5 percent if the fi-
18	nancial statements of the Department of Defense
19	are not validated as ready for audit by that deadline;
20	and
21	(2) beginning with the first pay period com-
22	mencing on or after the deadline specified in section
23	1003(a)(2)(A)(iii) of the National Defense Author-
24	ization Act for Fiscal Year 2010 (Public Law 111–
25	84; 10 U.S.C. 2222 note), as added by section
26	1003(b) of the National Defense Authorization Act

- for Fiscal Year 2014 (Public Law 113–66; 127 Stat. 842), and for each pay period thereafter, shall be reduced by 10 percent if a full audit of the financial statements of the Department of Defense for fiscal year 2018 is not completed by that deadline.
 - (b) Due Process Protections.—

- (1) Notice and opportunity to respond.—
 At least 30 days before a reduction in pay takes effect under paragraph (1) or (2) of subsection (a) for a Department of Defense position listed in subsection (c), the Secretary of Defense shall—
 - (A) notify the individual occupying the position of the imminent pay reduction; and
 - (B) afford the individual an opportunity to prove that the requirement referred to in such paragraph has been satisfied.
- (2) APPEAL RIGHTS.—The Secretary of Defense also shall afford an individual occupying a position listed in subsection (c) an opportunity to appeal an adverse decision under paragraph (1)(B) against the individual to another department or agency of the Federal Government. If a final decision on the appeal is not made by the applicable department or agency of the Federal Government within 30 days after receiving the appeal, the order of

- 1 the Secretary imposing the pay reduction shall be
- 2 final and not subject to further appeal.
- 3 (c) Covered Department of Defense Posi-
- 4 Tions.—The Department of Defense positions subject to
- 5 this section are the following:
- 6 (1) The position of Deputy Secretary of De-
- 7 fense, who serves as the Chief Management Officer
- 8 of the Department of Defense.
- 9 (2) The position of Under Secretary of Defense
- (Comptroller).
- 11 (3) The position of Chief Management Officer
- of each of the military departments.
- 13 (d) Lifting of Pay Reductions.—A reduction in
- 14 pay imposed under paragraph (1) or (2) of subsection (a)
- 15 shall have no force or effect after the date on which the
- 16 requirement referred to in such paragraph is satisfied.

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