

119TH CONGRESS
2^D SESSION

H. R. 8463

AN ACT

To establish governmentwide requirements for pre-payment fraud prevention actions, to provide the U.S. Treasury appropriate data resources, to facilitate participation in governmentwide anti-fraud data sharing, 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. SHORT TITLE.**

2 This Act may be cited as the “Pre-Payment Fraud
3 Prevention and Treasury Data Access Act”.

4 **SEC. 2. PRE-PAYMENT FRAUD PREVENTION REQUIRE-**
5 **MENTS FOR AGENCIES.**

6 (a) ESTABLISHMENT OF PRE-PAYMENT AGENCY RE-
7 SPONSIBILITIES.—

8 (1) AMENDMENT.—Chapter 33 of title 31,
9 United States Code, is amended by inserting after
10 section 3325 the following:

11 **“§ 3325a. Agency duties for fraud and improper pay-**
12 **ment prevention before the issuance of a**
13 **payment voucher request**

14 “(a) MANDATORY ACTIONS BEFORE ISSUING A PAY-
15 MENT VOUCHER.—The head of an agency, or an officer
16 or employee described in section 3325(a)(1(B), may not
17 certify a voucher under section 3325 until the following
18 requirements are met:

19 “(1) Each pre-certification requirement de-
20 scribed in subsection (b) for such payment request.

21 “(2) Confirmation is provided that the payment
22 complies with any disbursement requirement and in-
23 struction, including any pre-certification require-
24 ment, published by the Secretary of the Treasury.

25 “(3) Confirmation is provided that any other
26 appropriate payment, account, and payee validation

1 program or service that the Secretary of the Treas-
2 ury, in consultation with the Director, requires to re-
3 duce fraud and an improper payment resulting in fi-
4 nancial loss to the Government, including any agen-
5 cy evaluation of the fraud-risk indicator of a pro-
6 gram required under section 3352 and agency proce-
7 dures required under section 3554(b)(1), have been
8 conducted, in accordance with necessary exceptions
9 for statutory, policy, or operational reasons.

10 “(b) PAYMENT VERIFICATION PRE-CERTIFICATION
11 REQUIREMENTS.—Not later than 180 days after the date
12 of the enactment of this section, and as needed thereafter,
13 the Secretary of the Treasury shall, in consultation with
14 the Director of the Office of Management and Budget,
15 issue regulations, and guidance as necessary, for the pre-
16 certification requirements of this section, for vouchers cer-
17 tified under section 3325, including any deadline for pre-
18 certification information and related records to be sub-
19 mitted to the requisite Treasury official and disbursing of-
20 ficial under subchapter IV of this chapter, before the date
21 of disbursement in order to allow for sufficient time to
22 meet the requirements of this section, including the fol-
23 lowing:

24 “(1) Funds are available at the time the obliga-
25 tion is incurred and if an obligation is incurred when

1 funds are not available, then the agency may not
2 certify the payment voucher.

3 “(2) The amount of the payment and the name
4 of the payee on the payment voucher are correct, in
5 conformance with the prescribed standard format.

6 “(3) A valid social security number, taxpayer
7 identification number, employer identification num-
8 ber, individual taxpayer identification number, or
9 payee ID number is provided for each payee on the
10 voucher, if applicable.

11 “(4) The appropriation or fund from which the
12 payment will be made is available for the purpose
13 described in the voucher and indicated with the ap-
14 propriate Treasury Account Symbol or Business
15 Event Type Code.

16 “(5) A payee is not deceased, if the payment
17 would be improperly made to a deceased payee.

18 “(6) The account number, if any, provided on
19 the payment voucher is held at a financial institu-
20 tion and is open, valid, and belongs to the payee or
21 a valid designee of the payee.

22 “(7) Any other identifier in conformance with
23 the payment verification pre-certification require-
24 ments established by the Secretary of the Treasury,
25 which may include the Procurement Instrument

1 Identified and the Federal Award Identification
2 Number.

3 “(c) RETURN OF PAYMENT VOUCHER.—The Sec-
4 retary, in consultation with the Director, shall issue guid-
5 ance and establish procedures to authorize the Chief Dis-
6 bursing Officer of the Department of the Treasury, or an
7 agency disbursing official, to return to the relevant agency
8 certifying official, including a notification to the agency,
9 any payment or payment voucher issued under section
10 3325 which does not comply with pre-certification
11 verification requirements established under this section as
12 determined by the Secretary.

13 “(d) AGENCY REQUESTS FOR EXEMPTIONS.—The
14 Secretary of the Treasury shall include in the regulations
15 issued under subsection (b), or in other regulations or
16 guidance issued under this chapter, a process for agencies
17 to request exemptions from some or all of the payment
18 verification requirements for specific payments or cat-
19 egories of payments under this section, which shall include
20 a requirement for the agency to provide a plan and reason-
21 able timeframe to remediate the need for the exemption.
22 Any approved exemption shall be documented in any re-
23 lated payment voucher certified under section 3325 for the
24 duration of the exemption.”.

1 (2) TECHNICAL AND CONFORMING AMEND-
2 MENT.—The table of sections for chapter 33 of title
3 31, United States Code, is amended by inserting
4 after the item for section 3325 the following:

 “3325a. Agency duties for fraud and improper payment prevention before the
 issuance of a payment voucher request.”.

5 (b) AMENDMENT TO RESPONSIBILITIES OF AGENCY
6 CERTIFYING OFFICIAL FOR PAYMENT VOUCHERS.—Sec-
7 tion 3528(a) of title 31, United States Code, is amended—

8 (1) in paragraph (2), by inserting after “of this
9 title” the following: “, including pre-certification re-
10 quirements described in section 3325a”;

11 (2) by redesignating paragraphs (4) and (5) as
12 paragraphs (5) and (6), respectively; and

13 (3) by inserting after paragraph (3) the fol-
14 lowing:

15 “(4) Ensuring that—

16 “(A) the agency has complied with the re-
17 quirements of section 3325a and subchapter IV
18 of this title; and

19 “(B) a covered recipient is in compliance
20 with the reporting requirements under section
21 6107.”.

22 (c) PREPAYMENT REQUIREMENTS OF PAYMENT DIS-
23 BURSING OFFICIALS.—Section 3325 of title 31, United
24 States Code, is amended—

1 (1) in subsection (d) by striking “taxpayer iden-
2 tifying number of each person” and inserting “infor-
3 mation required to be submitted under section
4 3325a(b) of each payee”; and

5 (2) by adding at the end the following:

6 “(e)(1) Before certifying a voucher to a disbursing
7 official, the head of an agency or an officer or employee
8 of an agency described in subparagraph (A) or (B) of sub-
9 section (a)(1), as applicable, shall take necessary actions
10 to accurately disburse payments to the recipients of those
11 payments, including by—

12 “(A) verifying the accuracy of the bank account
13 information to which a payment is to be disbursed,
14 to the extent practicable; and

15 “(B) comparing the bank account information
16 of the proposed recipient to other payment records
17 available to the agency, to the extent practicable.

18 “(2) The Secretary of the Treasury shall issue guid-
19 ance to carry out this subsection, which may be carried
20 out through any guidance issued for section 3325a(b).”.

21 (d) ADDITION OF FRAUD PREVENTION INDICATORS
22 TO AGENCY IMPROPER PAYMENT RISK ASSESSMENTS.—

23 (1) DEFINITIONS AMENDMENTS.—Section 3351
24 of title 31, United States Code is amended—

25 (A) in paragraph (3)—

1 (i) in the heading, by striking “INI-
2 TLATIVE” and inserting “SYSTEM”;

3 (ii) by striking “Initiative” and insert-
4 ing “System”; and

5 (iii) by striking “initiative” and in-
6 serting “system”; and

7 (B) by adding at the end the following
8 (and by redesignating and moving the para-
9 graphs to appear in alphabetical order):

10 “(9) APPROPRIATE AUTHORIZING AND APPRO-
11 PRIATIONS COMMITTEES OF CONGRESS.—The term
12 ‘appropriate authorizing and appropriations commit-
13 tees of Congress’ means the following:

14 “(A) The Committees on Appropriations of
15 the Senate and the House of Representatives.

16 “(B) The Committee on Homeland Secu-
17 rity and Governmental Affairs of the Senate.

18 “(C) The Committee on Oversight and
19 Government Reform of the House of Represent-
20 atives.

21 “(D) The Budget Committee of the House
22 of Representatives and the Committee on the
23 Budget of the Senate.

24 “(D) Any other relevant congressional
25 committee of jurisdiction.

1 “(10) DIRECTOR.—The term ‘Director’ means
2 the Director of the Office of Management and Budg-
3 et.

4 “(11) FRAUD-RISK INDICATOR.—The term
5 ‘fraud-risk indicator’ means an objective data point
6 or analytic signal that indicates an anomalous pay-
7 ment pattern or increase in the volume of a payment
8 amount, a verified data mismatch, network or behav-
9 ioral anomaly, or match identified by the Do Not
10 Pay system and any other payment, account, and
11 payee validation program or service provided by the
12 Department of the Treasury that would result in fi-
13 nancial loss to the Government.”.

14 (2) AMENDMENT.—Section 3352(a)(1) of title
15 31, United States Code, is amended—

16 (A) in subparagraph (A), by striking “;
17 and” and inserting a semicolon;

18 (B) in subparagraph (B), by striking the
19 period at the end and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(C) design and apply fraud-risk indicators
22 to the programs identified under paragraph
23 (A).”.

1 **SEC. 3. TREASURY DO NOT PAY SYSTEM.**

2 (a) AMENDMENT.—Section 3354 of title 31, United
3 States Code, is amended—

4 (1) in the heading, by striking “**Initiative**”
5 and inserting “**system**”;

6 (2) in subsection (a)—

7 (A) by amending paragraph (1) to read as
8 follows:

9 “(1) IN GENERAL.—The head of each executive
10 agency shall establish and maintain appropriate
11 preaward and prepayment procedures to prevent and
12 recover improper payments, including payments re-
13 sulting in financial loss to the Government, and to
14 prevent financial fraud. Such procedures shall in-
15 clude, at a minimum—

16 “(A) screening all persons or entities that
17 receive, or seek to receive, Federal awards or
18 payments against all appropriate Do Not Pay
19 system data assets, including data assets de-
20 scribed in paragraph (2)(a), and risk tools be-
21 fore an award is made or a payment request is
22 submitted to the disbursing officer in accord-
23 ance with section 3325a; and

24 “(B) a periodic review of available data as-
25 sets and notification to the Secretary of any
26 data asset that the agency requires access to,

1 either directly or through the Do Not Pay sys-
2 tem.”;

3 (B) in paragraph (2), by striking “At a
4 minimum and before issuing any payment or
5 award, each executive agency shall review as ap-
6 propriate the following databases to verify eligi-
7 bility of the payment and award:” and inserting
8 the following: “Consistent with the routine use
9 authority under section 552a of title 5, and
10 subject to the requirements of paragraphs (3)
11 and (6), the Secretary shall have access to the
12 following data assets for the purposes described
13 in paragraph (1):”; and

14 (C) by adding at the end the following:

15 “(3) PUBLICATION OF DATA ASSETS; ADDI-
16 TIONAL DATA ASSETS.—

17 “(A) PUBLICATION OF DATA ASSETS.—

18 The Secretary shall publish and maintain a
19 System of Records Notice for the Do Not Pay
20 system that identifies each data asset, the rou-
21 tine uses under which the data asset is dis-
22 closed from that system of record, the specific
23 permitted purposes, and the access controls ap-
24 plicable to each data asset. A data asset may
25 not be disclosed from the Do Not Pay system

1 before publication of the applicable routine uses
2 in the relevant System of Records Notice.

3 “(B) DESIGNATION.—The Secretary, in
4 consultation with the Director, may designate
5 additional categories of data assets for inclusion
6 in the Do Not Pay system that substantially as-
7 sist agencies in carrying out the requirements
8 of paragraph (1).

9 “(C) PRIVACY AND NOTICE.—In desig-
10 nating data assets that include personally iden-
11 tifiable information, law enforcement sensitive
12 information, or information subject to section
13 552a of title 5, the Secretary shall—

14 “(i) act in coordination with the Di-
15 rector of the Office of Management and
16 Budget; and

17 “(ii) provide public notice and an op-
18 portunity for comment for not less than 15
19 days prior to designation.

20 “(D) DATABASE INCLUSION.—Following
21 designation of a category of data assets under
22 subparagraph (B), the Secretary shall provide
23 public notice and an opportunity for comment
24 for not less than 30 days before adding any
25 specific data asset within such category.

1 “(E) NON-SENSITIVE DATA.—Data assets
2 that do not include personally identifiable infor-
3 mation, law enforcement sensitive information,
4 or information subject to section 552a of title
5 5 may be added at the discretion of the Sec-
6 retary without designation if a list of such data
7 assets is disclosed to the public on a public
8 website maintained by the Department of the
9 Treasury.

10 “(4) TREATMENT OF DATA MATCHING FOR
11 PURPOSES OF AGENCY USE OF DO NOT PAY SYS-
12 TEM.—For purposes of section 552a of title 5, or
13 any other provision of law, a computerized compari-
14 son of two or more automated Federal systems of
15 records, or a computerized comparison of a Federal
16 system of records with other records or non-Federal
17 records, carried out by the Secretary to verify pay-
18 ments or identify or recover improper payments
19 under this section shall not be considered a match-
20 ing program if such match-based inquiry is con-
21 ducted in strict adherence to the limitations of use
22 under paragraph (5), returns a binary verification
23 response, resulting data is not retained by the agen-
24 cy for more than 30 days in order to address the im-
25 mediate award eligibility or payment verification de-

1 termination, and contains not more than 20 discrete
2 record requests at a time for a particular agency
3 program.

4 “(5) LIMITATION ON USE.—

5 “(A) IN GENERAL.—Information obtained
6 through the Do Not Pay system may be used
7 solely for the purposes described in paragraph
8 (1), or for Federal or State law enforcement or
9 investigative purposes and any officer, em-
10 ployee, contractor, subcontractor, or agent of a
11 Federal or State entity may not publish, exam-
12 ine for a purpose not explicitly authorized
13 under this section, or communicate such infor-
14 mation furnished in such data assets other than
15 in fulfillment of the purposes of this section.

16 “(B) IMPLEMENTATION OF SYSTEM.—The
17 Do Not Pay system shall be implemented in a
18 manner to strictly provide match-based queries
19 that return only limited responses derived from
20 the data submitted by any individual described
21 in subparagraph (A) with the minimum data
22 exchanged and retained in order to conduct the
23 verification match and any associated responsi-
24 bility under section 552a(p) of title 5, if—

1 “(i) such responses to match-based
2 queries are limited to a confirmation or de-
3 nial of a match, the level of confidence in
4 a match, the data sources that informed
5 the match, and other administrative
6 metadata or the minimum additional data
7 elements necessary to achieve the purposes
8 described in paragraph (1); and

9 “(ii) any individual described in sub-
10 paragraph (A) is prohibited from retriev-
11 ing, browsing, making repeated and tai-
12 lored match-based inquiries with the inten-
13 tion of reconstituting the underlying record
14 in another system, or otherwise accessing
15 any underlying record maintained in the
16 Do Not Pay system under subsection
17 (a)(2) beyond the information necessary to
18 resolve a match-based query solely for the
19 purposes described in paragraph (1).

20 “(C) INDIVIDUALS ACCESSING INFORMA-
21 TION.—Any individual described in subpara-
22 graph (A)—

23 “(i) may not take an adverse action
24 against any individual based solely upon

1 the information obtained under such sub-
2 paragraph;

3 “(ii) shall take additional independent
4 steps to verify the eligibility of a benefit
5 recipient before taking any adverse action,
6 when necessary or appropriate or when re-
7 quired by applicable law; and

8 “(iii) shall make an independent judg-
9 ment regarding the decision to certify a
10 payment for disbursement or pursue recov-
11 ery of a potentially improper payment.

12 “(6) CONFIDENTIALITY MAINTENANCE.—The
13 Secretary shall maintain, with respect to each data
14 asset obtained through the Do Not Pay system, the
15 same level of confidentiality required by the law gov-
16 erning the source of that data asset. Information ob-
17 tained from a data asset may only be used for pur-
18 poses for which the source statute authorizes disclo-
19 sure, and access to such information shall be limited
20 to persons and entities for whom the source statute
21 authorizes access. The Secretary shall document, in
22 the System of Records Notice required under para-
23 graph (2), the specific confidentiality obligations ap-
24 plicable to each data asset and the means by which
25 Treasury ensures compliance.

1 “(7) PENALTY FOR UNLAWFUL DISCLOSURE.—
2 Any individual described in paragraph (5)(A) who
3 knowingly and willfully discloses information in vio-
4 lation of paragraph (5) shall be fined not more than
5 \$250,000, imprisoned not more than 5 years, or
6 both.

7 “(8) EXCEPTION WHEN PAYMENT OTHERWISE
8 REQUIRED UNDER LAW.—The head of an executive
9 agency may be exempt from the requirements of
10 paragraph (1) if a Federal statute expressly requires
11 that a payment or award be made notwithstanding
12 potential ineligibility, and the agency head notifies
13 the Secretary of the Treasury and the Director of
14 the Office of Management and Budget prior to cer-
15 tification of the payment under section 3325.

16 “(9) DEFINITION.—In this section, the term
17 ‘data asset’ has the meaning given that term in sec-
18 tion 3502(17) of title 44.”;

19 (3) by striking subsections (b) through (c) and
20 inserting the following:

21 “(b) ESTABLISHMENT OF SYSTEM.—The Secretary
22 of the Treasury shall establish and maintain a Do Not
23 Pay system, which shall be administered and operated by
24 the Fiscal Service of the Department of the Treasury. The
25 Do Not Pay system shall include—

1 “(1) the data assets described in subsection
2 (a)(2); and

3 “(2) such other data assets as the Secretary of
4 the Treasury may designate, in consultation with the
5 Director of the Office of Management and Budget,
6 to assist agencies in carrying out subsection (a)(1).

7 “(c) STATE AND OTHER GOVERNMENTAL USE.—

8 “(1) IN GENERAL.—Each State and local gov-
9 ernment administering a federally funded program,
10 and any contractor, subcontractor, or agent thereof,
11 including State and local government auditors, shall
12 have access to the Do Not Pay system to review
13 preaward and prepayment data in order to prevent
14 and recover improper payments, including payments
15 resulting in financial loss to the Government, and to
16 prevent financial fraud if procedures are established
17 regarding—

18 “(A) the screening of persons or entities
19 that receive, or seek to receive Federal awards
20 or payments against appropriate Do Not Pay
21 system data assets, including data assets de-
22 scribed in subsection (a)(2), and risk tools be-
23 fore an award is made or a payment request is
24 submitted to the disbursing officer; and

1 “(B) periodic review of available data as-
2 sets and notification to the Secretary of any
3 data asset that the agency requires access to,
4 either directly or through the Do Not Pay sys-
5 tem.

6 “(2) OTHER GOVERNMENTAL USE.—The judi-
7 cial and legislative branches of the United States (as
8 defined in section 202(e) of title 18) shall have ac-
9 cess to the Do Not Pay system strictly for purposes
10 of verifying eligibility for payments and preventing
11 fraud and improper payments as authorized under
12 subsection (a)(1).

13 “(3) PRIVACY REQUIREMENTS.—The Director,
14 in coordination with the Secretary, shall issue regu-
15 lations implementing this section, including estab-
16 lishing privacy and other requirements applicable to
17 such access and disclosure, consistent with section
18 552a of title 5.

19 “(d) QUARTERLY REPORT.—The Secretary, in con-
20 sultation with the Director, shall submit to the appro-
21 priate authorizing and appropriations committees of Con-
22 gress quarterly reports on the governmentwide operation
23 of the Do Not Pay system, which may be included as part
24 of another report submitted to Congress by the Secretary,
25 and which shall include the following:

1 “(1) Performance measures for monitoring the
2 effectiveness of the system in reducing improper
3 payments.

4 “(2) Information on the frequency of correc-
5 tions and identification of erroneous data.

6 “(3) Recommendations for legislative or admin-
7 istrative action to enhance the operations of the sys-
8 tem.

9 “(4) An assessment of agency, State, and local
10 compliance with the requirements of this section, in-
11 cluding a listing of all memorandums established
12 with the head of an agency under subsection (a)(4)
13 that documents agency use of the Do Not Pay sys-
14 tem.

15 “(e) EVALUATION.—Not less than annually, the
16 Evaluation Officer of the agency, as designated under sec-
17 tion 313 of title 5, shall provide the appropriate authoriza-
18 tion and appropriations committees of Congress an evalua-
19 tion of the Do Not Pay system, including the best avail-
20 able estimate of the effectiveness of the system in reducing
21 fraud and improper payments that lead to financial loss
22 of the Government in agency programs on a monthly and
23 regional basis for such program. The evaluation shall in-
24 clude an analysis of which data sources maintained by the
25 Do Not Pay system are attributed to identifying or reduc-

1 ing instances of likely fraudulent or improper payments
2 by count and total dollar savings value to the Government.

3 “(f) CONTINUITY AND TRANSITION.—

4 “(1) CONTINUATION OF PREVIOUS SYSTEM IF
5 NECESSARY.—The Do Not Pay initiative in effect on
6 the day before the date of the enactment of this sec-
7 tion shall continue as necessary to support imple-
8 mentation of the Do Not Pay system.

9 “(2) GUIDANCE, RULES, AND PROCEDURES.—
10 Guidance, rules, and procedures in effect before the
11 date of the enactment of this section shall remain in
12 effect until modified by the Secretary or the Director
13 of the Office of Management and Budget.

14 “(3) RULES OF CONSTRUCTION.—Nothing in
15 this subsection may be construed—

16 “(A) except as specifically provided in sub-
17 section (a)(4), to modify or supersede the re-
18 quirements of section 552a of title 5, including
19 the requirements for notice in section
20 552a(e)(12) and for due process rights of an in-
21 dividual under section 552a(p); or

22 “(B) to limit any authority of an Inspector
23 General under applicable law.”;

24 (4) in subsection (d)—

25 (A) in paragraph (1)(C)—

1 (i) in clause (i), by striking “3 years”
2 and inserting “5 years”; and

3 (ii) in clause (ii), by striking “3
4 years” and inserting “5 years”;

5 (B) by redesignating paragraphs (2)
6 through (4) as paragraphs (3) through (5), re-
7 spectively; and

8 (C) by inserting after paragraph (1) the
9 following:

10 “(2) VOLUNTARY EXPEDITED PROCESS FOR
11 COMPUTER MATCHING BY EXECUTIVE AGENCIES FOR
12 PURPOSES OF USING THE DO NOT PAY SYSTEM.—

13 “(A) IN GENERAL.—In accordance with
14 section 552a of title 5 (commonly known as the
15 ‘Privacy Act of 1974’), the head of each execu-
16 tive agency may enter into an expedited process
17 for establishing a computer matching agree-
18 ment with the head of another executive agency
19 for the purposes of ongoing and automated data
20 matching with the Do Not Pay system for pur-
21 poses under this section in order to assist in the
22 detection and prevention of fraudulent and im-
23 proper payments.

24 “(B) REQUIREMENT FOR USE OF COM-
25 PUTER MATCHING AGREEMENT TEMPLATE.—

1 Not later than 180 days after the effective date
2 of this section, the Director, in coordination
3 with the Secretary of the Treasury, shall estab-
4 lish a standard computer matching agreement
5 template for the Do Not Pay system which shall
6 authorize an agency that adopts the standard
7 template to be deemed to have satisfied the re-
8 quirements of section 552a(o) of title 5 upon
9 execution of the agreement without the need for
10 review by a Data Integrity Board established
11 under section 552a(u) of title 5.

12 “(C) REQUIREMENT FOR FEDERAL
13 RECORD NOTICES AND PUBLICATION.—The
14 standard computer matching agreement tem-
15 plate described under paragraph (B), and any
16 future modification to the template, shall be
17 published in the Federal Register by the Sec-
18 retary of the Treasury 30-days prior to putting
19 any such template or modification of such tem-
20 plate into effect. On a quarterly basis the Sec-
21 retary of the Treasury shall publish in the Fed-
22 eral Register a consolidated listing of each com-
23 puter matching agreement using the standard-
24 ized template under paragraph (B) and main-
25 tain on a publicly available website all active

1 computer matching agreements using such tem-
2 plate or the process under paragraph (1) that
3 shall include the agency name, data assets cov-
4 ered, authorized purposes, and date of the
5 agreement. The consolidated quarterly listing
6 under this subparagraph shall satisfy the
7 matching program notice requirements of sec-
8 tion 552a(e)(12) of title 5 for each computer
9 matching agreement using the standardized
10 template under paragraph (B), and no separate
11 Federal Register publication under section
12 552a(e)(12) shall be required of any agency
13 participating in such an agreement.

14 “(D) TERMINATION DATE.—An agreement
15 under this paragraph—

16 “(i) shall have a termination date of
17 less than 5 years; and

18 “(ii) during the 3-month period end-
19 ing on the date on which the agreement is
20 scheduled to terminate, may be renewed by
21 each executive agency that entered into the
22 agreement for not more than 5 years if the
23 head of the agency attests to the Secretary
24 of the Treasury and the Director of the

1 Office of Management and Budget that the
2 agreement is not being modified.

3 “(E) REQUIREMENT FOR OMB GUID-
4 ANCE.—Not later than 180 days after the effec-
5 tive date of this section, the Director of the Of-
6 fice of Management and Budget, in consultation
7 with the Secretary of the Treasury, shall issue
8 guidance, including the computer matching
9 agreement template, to implement this para-
10 graph.

11 “(F) MULTIPLE AGENCIES.—For purposes
12 of this paragraph, section 552a(o)(1) of title 5
13 shall be applied by substituting ‘between the
14 source agency and the recipient agency or non-
15 Federal agency or an agreement governing mul-
16 tiple agencies’ for ‘between the source agency
17 and the recipient agency or non-Federal agency’
18 in the matter preceding subparagraph (A).”;
19 and
20 (5) by striking subsection (e).

21 (b) TECHNICAL AND CONFORMING AMENDMENT.—
22 The item relating to section 3354 in the table of sections
23 for chapter 33 of title 31, United States Code, is amended,
24 by striking “Initiative” and inserting “system”.

1 **SEC. 4. SINGLE REPORT ON FIRST TIME USE OF FUNDS BY**
2 **RECIPIENT.**

3 (a) ESTABLISHMENT OF POST-AWARD SINGLE RE-
4 PORT REQUIREMENT ON FIRST-TIME USE OF FUNDS BY
5 RECIPIENT OF FEDERAL AWARD.—Chapter 61 of title 31,
6 United States Code, is amended by adding at the end the
7 following:

8 **“§ 6107. Single report on first time use of funds by re-**
9 **ipient**

10 “(a) FEDERAL AWARD REPORTING REQUIRE-
11 MENT.—The head of each agency that administers a cov-
12 ered award shall require each covered recipient to, as a
13 condition of receiving amounts under such award, submit
14 to the head of the agency, not later than 180 days after
15 the receipt of such award unless a deadline exception may
16 be applied pursuant to pursuant to regulations promul-
17 gated under subsection (b), a one-time report on the use
18 of such amounts that—

19 “(1) includes any content required to be in-
20 cluded in such report pursuant to subsection (b);
21 and

22 “(2) is in the format required under such sub-
23 section.

24 “(b) GOVERNMENTWIDE REPORT REGULATIONS AND
25 GUIDANCE.—

26 “(1) CONTENTS AND FORMAT OF REPORT.—

1 “(A) PROMULGATION.—Not later than 1
2 year after the date of the enactment of this sec-
3 tion, the Director, in coordination with the Sec-
4 retary of the Treasury and the standard-setting
5 agency designated under section 6402(a)(1),
6 shall promulgate regulations, and any clarifying
7 guidance as may be necessary, to establish gov-
8 ernmentwide requirements for the content and
9 format of the report described under subsection
10 (a).

11 “(B) UPDATES.—Any guidance or regula-
12 tion promulgated under subparagraph (A) shall
13 be updated as necessary, but in any case, shall
14 be updated not less often than once every 5
15 years.

16 “(2) REPORT MINIMUM REQUIREMENTS.—The
17 regulations and any clarifying guidance promulgated
18 under paragraph (1), shall at a minimum—

19 “(A) enable the head of an awarding agen-
20 cy to determine whether amounts provided
21 under a covered award are being used by the
22 recipient required to submit the report, and any
23 sub-recipient or sub-grantee thereof, for the in-
24 tended purpose of the program, as set forth in

1 statute, regulation, or policies and procedures
2 of the agency;

3 “(B) enable fraud prevention, detection, in-
4 vestigation, and mitigation, in future awards of
5 Federal funds to the recipient required to sub-
6 mit the report by identifying relevant fraud-risk
7 indicators that would require a referral for in-
8 vestigation and criminal referral to the appro-
9 priate entity of the Federal Government, includ-
10 ing any identified effort by a recipient to de-
11 fraud the Federal Government or violate sec-
12 tions 3729 through 3731 of title 31 (commonly
13 referred to as the ‘False Claims Act’);

14 “(C) ensure that any sub-recipient or sub-
15 grantee, at any level, of the recipient required
16 to submit the report provide to such recipient
17 such information as may be necessary to enable
18 aggregate reporting on the covered award by
19 the recipient;

20 “(D) require the heads of agencies to apply
21 the governmentwide data standards established
22 under chapter 64 with respect to the format
23 and content of the report required to be sub-
24 mitted;

1 “(E) align with the Federal award report-
2 ing requirements and data standards under the
3 Federal Funding Accountability and Trans-
4 parency Act of 2006 (Public Law 109–282; 31
5 U.S.C. 6101 note), to the maximum extent
6 practicable;

7 “(F) reduce recipient and agency reporting
8 burdens by avoiding duplication in recipient re-
9 porting obligations, to the extent practicable;
10 and

11 “(G) provide clarification for agencies to
12 apply a reporting deadline exception under sub-
13 section (a)(1), which may be made for an entire
14 program or type of covered award, beyond 180
15 days when the use of the covered funds by the
16 covered recipient takes place more than 180
17 days after a receipt of such covered award.

18 “(c) AGENCY REQUIREMENTS.—In accordance with
19 the regulations and any clarifying guidance promulgated
20 under subsection (b), the head of an agency that admin-
21 isters a covered award shall—

22 “(1) update the terms and conditions of Fed-
23 eral awards in the agency programs to implement
24 subsection (a) for covered recipients;

1 “(2) include a summary of the post-award re-
2 reporting requirements established under subsection
3 (a), including the required content and reporting
4 format, in the Notice of Funding Opportunity
5 (which has the meaning given the term in section
6 200.1 of title 2, Code of Federal Regulations) for
7 Federal financial assistance (as defined under sec-
8 tion 7501 of this title) in order to assist applicants
9 for such assistance in understanding post-award re-
10 porting obligations;

11 “(3) to the maximum extent practicable—

12 “(A) provide user-friendly and plain lan-
13 guage directives for covered recipients to fulfill
14 their reporting obligation under subsection (a);
15 and

16 “(B) use existing post-award reporting re-
17 quirements to reduce the burden of cumulative
18 post-award reporting; and

19 “(4) establish procedures within the agency to
20 identify covered recipients that are not in compliance
21 with the reporting requirement under subsection (a).

22 “(d) NONCOMPLIANCE.—For a case in which a cov-
23 ered recipient does not submit the report required by sub-
24 section (a), the awarding agency shall—

1 “(1) provide a timely written notice of non-
2 compliance to the recipient that—

3 “(A) clearly states the reason for non-
4 compliance;

5 “(B) notifies the recipient of the obligation
6 of the agency to cease further disbursements to
7 the entity until the covered recipient is in com-
8 pliance; and

9 “(C) provides clear instructions to the cov-
10 ered recipient on how to come back into compli-
11 ance; and

12 “(2) prevent a payment voucher from being
13 issued under section 3325 for a payment to such re-
14 cipient for funds related to the particular program
15 for which the report was required, until such report
16 is submitted.

17 “(e) AVAILABILITY OF REPORT.—Each report sub-
18 mitted under subsection (a) shall be—

19 “(1) kept on file by the agency for a period of
20 not less than 5 years after the date on the conclu-
21 sion of the duration of the award; and

22 “(2) made available upon request to—

23 “(A) the Director;

24 “(B) the Secretary of the Treasury;

25 “(C) the Attorney General;

1 “(D) the Inspector General of the agency
2 concerned; and

3 “(E) the appropriate congressional com-
4 mittees.

5 “(f) USE OF INFORMATION INCLUDED IN REPORT.—
6 Information included in the report required by subsection
7 (a) shall be used by the agency in support of improper
8 payment activities of the agency under section 3352 as
9 appropriate and applicable.

10 “(g) DEFINITIONS.—In this section:

11 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES.—The term ‘appropriate congressional com-
13 mittees’ means—

14 “(A) the Committees on Appropriations of
15 the Senate and the House of Representatives;

16 “(B) the Committee on Homeland Security
17 and Governmental Affairs of the Senate;

18 “(C) the Committee on Oversight and Gov-
19 ernment Reform of the House of Representa-
20 tives; and

21 “(D) any other relevant congressional com-
22 mittee of jurisdiction.

23 “(2) COVERED AWARD.—The term ‘covered
24 award’ means a Federal award (as defined under

1 section 7501) in an amount not less than \$50,000
2 (based on fiscal year 2027 constant dollars).

3 “(3) COVERED RECIPIENT.—The term ‘covered
4 recipient’ means any entity, including any State, the
5 District of Columbia, and any territory or possession
6 of the United States, including a pass-through entity
7 (as defined under section 7501), that receives the
8 covered award from a particular agency program for
9 the first time in that program’s existence.

10 “(4) FRAUD-RISK INDICATOR.—The term
11 ‘fraud-risk indicator’ means an objective data point
12 or analytic signal that indicates an anomalous pay-
13 ment pattern or increase in the volume of a payment
14 amount, a verified data mismatch, network or behav-
15 ioral anomaly, or match identified by the Do Not
16 Pay system and any other payment, account, and
17 payee validation program or service provided by the
18 Department of the Treasury that would result in fi-
19 nancial loss to the government.”.

20 (b) TECHNICAL AND CONFORMING AMENDMENT.—
21 The table of sections for chapter 61 of title 31, United
22 States Code, is amended, by adding at the end the fol-
23 lowing:

“6107. Single report on first time use of funds by recipient.”.

24 (c) CLARIFICATION OF APPLICATION OF FIRST RE-
25 PORTING DEADLINE.—The report required under sub-

1 section (a) of section 6107 of title 31, United States Code,
2 as added by subsection (a), shall apply to a covered award
3 made during the fiscal year following the promulgation of
4 regulations or guidance by the Director under subsection
5 (b)(1)(A) of such section.

6 **SEC. 5. EFFECTIVE DATE.**

7 This Act and the amendments made by this Act shall
8 take effect on the date that is 180 days after the date
9 of the enactment of this Act.

Passed the House of Representatives June 8, 2026.

Attest:

Clerk.

119TH CONGRESS
2^D SESSION

H. R. 8463

AN ACT

To establish governmentwide requirements for prepayment fraud prevention actions, to provide the U.S. Treasury appropriate data resources, to facilitate participation in governmentwide anti-fraud data sharing, and for other purposes.