

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 8463  
OFFERED BY MR. COMER OF KENTUCKY**

Strike all after the enacting clause and insert the following:

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:

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

3           “(2) Confirmation is provided that the payment  
4           complies with any disbursement requirement and in-  
5           struction, including any pre-certification require-  
6           ment, published by the Secretary of the Treasury.

7           “(3) Confirmation is provided that any other  
8           appropriate payment, account, and payee validation  
9           program or service that the Secretary of the Treas-  
10          ury, in consultation with the Director, requires to re-  
11          duce fraud and an improper payment resulting in fi-  
12          nancial loss to the Government, including any agen-  
13          cy evaluation of the fraud-risk indicator of a pro-  
14          gram required under section 3352 and agency proce-  
15          dures required under section 3554(b)(1), have been  
16          conducted, in accordance with necessary exceptions  
17          for statutory, policy, or operational reasons.

18          “(b) PAYMENT VERIFICATION PRE-CERTIFICATION  
19          REQUIREMENTS.—Not later than 180 days after the date  
20          of the enactment of this section, and as needed thereafter,  
21          the Secretary of the Treasury shall, in consultation with  
22          the Director of the Office of Management and Budget,  
23          issue regulations, and guidance as necessary, for the pre-  
24          certification requirements of this section, for vouchers cer-  
25          tified under section 3325, including any deadline for pre-

1 certification information and related records to be sub-  
2 mitted to the requisite Treasury official and disbursing of-  
3 ficial under subchapter IV of this chapter, before the date  
4 of disbursement in order to allow for sufficient time to  
5 meet the requirements of this section, including the fol-  
6 lowing:

7           “(1) Funds are available at the time the obliga-  
8 tion is incurred and if an obligation is incurred when  
9 funds are not available, then the agency may not  
10 certify the payment voucher.

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

14           “(3) A valid social security number, taxpayer  
15 identification number, employer identification num-  
16 ber, individual taxpayer identification number, or  
17 payee ID number is provided for each payee on the  
18 voucher, if applicable.

19           “(4) The appropriation or fund from which the  
20 payment will be made is available for the purpose  
21 described in the voucher and indicated with the ap-  
22 propriate Treasury Account Symbol or Business  
23 Event Type Code.

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

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

5           “(7) Any other identifier in conformance with  
6           the payment verification pre-certification require-  
7           ments established by the Secretary of the Treasury,  
8           which may include the Procurement Instrument  
9           Identified and the Federal Award Identification  
10          Number.

11          “(c) RETURN OF PAYMENT VOUCHER.—The Sec-  
12          retary, in consultation with the Director, shall issue guid-  
13          ance and establish procedures to authorize the Chief Dis-  
14          bursing Officer of the Department of the Treasury, or an  
15          agency disbursing official, to return to the relevant agency  
16          certifying official, including a notification to the agency,  
17          any payment or payment voucher issued under section  
18          3325 which does not comply with pre-certification  
19          verification requirements established under this section as  
20          determined by the Secretary.

21          “(d) AGENCY REQUESTS FOR EXEMPTIONS.—The  
22          Secretary of the Treasury shall include in the regulations  
23          issued under subsection (b), or in other regulations or  
24          guidance issued under this chapter, a process for agencies  
25          to request exemptions from some or all of the payment

1 verification requirements for specific payments or cat-  
2 egories of payments under this section, which shall include  
3 a requirement for the agency to provide a plan and reason-  
4 able timeframe to remediate the need for the exemption.  
5 Any approved exemption shall be documented in any re-  
6 lated payment voucher certified under section 3325 for the  
7 duration of the exemption.”.

8           (2) TECHNICAL AND CONFORMING AMEND-  
9           MENT.—The table of sections for chapter 33 of title  
10          31, United States Codes, is amended by inserting  
11          after the item for section 3325 the following:

“3325a. Agency duties for fraud and improper payment prevention prior to  
issuing a payment voucher request.”.

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

15               (1) in paragraph (2), by inserting after “of this  
16               title” the following: “, including pre-certification re-  
17               quirement described in section 3325a”;

18               (2) by redesignating paragraphs (4) and (5) as  
19               paragraphs (5) and (6), respectively; and

20               (3) by inserting after paragraph (3) the fol-  
21               lowing:

22               “(4) Ensuring that—

1           “(A) the agency has complied with the re-  
2           quirements of section 3325a and subchapter IV  
3           of this title; and

4           “(B) a covered recipient is in compliance  
5           with the reporting requirements under section  
6           6107.”.

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

10           (1) in subsection (d) by striking “taxpayer iden-  
11           tifying number of each person” and inserting “infor-  
12           mation required to be submitted under section  
13           3325a(b) of each payee”; and

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

15           “(e)(1) Before certifying a voucher to a disbursing  
16           official, the head of an agency or an officer or employee  
17           of an agency described in subparagraph (A) or (B) of sub-  
18           section (a)(1), as applicable, shall take necessary actions  
19           to accurately disburse payments to the recipients of those  
20           payments, including by—

21           “(A) verifying the accuracy of the bank account  
22           information to which a payment is to be disbursed,  
23           to the extent practicable; and

1           “(B) comparing the bank account information  
2           of the proposed recipient to other payment records  
3           available to the agency, to the extent practicable.

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

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

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

11           (A) in paragraph (3)—

12           (i) in the heading, by striking “INI-  
13           TIATIVE” and inserting “SYSTEM”;

14           (ii) by striking “Initiative” and insert-  
15           ing “System”; and

16           (iii) by striking “initiative” and in-  
17           serting “system”; and

18           (B) by adding the following in the appro-  
19           priate alphabetical order and redesignating the  
20           paragraphs accordingly:

21           “(9) APPROPRIATE AUTHORIZING AND APPRO-  
22           PRIATIONS COMMITTEES OF CONGRESS.—The term  
23           ‘appropriate authorizing and appropriations commit-  
24           tees of Congress’ means the following:

1           “(A) The Committees on Appropriations of  
2           the Senate and the House of Representatives.

3           “(B) The Committee on Homeland Security and Governmental Affairs of the Senate.

4           “(C) The Committee on Oversight and  
5           Government Reform of the House of Representatives.  
6           atives.

7           “(D) The Budget Committee of the House  
8           of Representatives and the Committee on the  
9           Budget of the Senate.

10          “(D) Any other relevant congressional  
11          committee of jurisdiction.

12          “(10) DIRECTOR.—The term ‘Director’ means  
13          the Director of the Office of Management and Budget.  
14          et.

15          “(11) FRAUD-RISK INDICATOR.—The term  
16          ‘fraud-risk indicator’ means an objective data point  
17          or analytic signal that indicates an anomalous payment  
18          pattern or increase in the volume of a payment  
19          amount, a verified data mismatch, network or behavioral  
20          anomaly, or match identified by the Do Not  
21          Pay system and any other payment, account, and  
22          payee validation program or service provided by the  
23          Department of the Treasury that would result in financial  
24          loss to the Government.”.

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

3                   (A) in subparagraph (A), by striking “;  
4                   and” and inserting a semicolon;

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

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

8                   “(C) design and apply fraud-risk indicators  
9                   to the programs identified under paragraph  
10                  (A).”.

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

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

14                   (1) in the heading, by striking “**initiative**”  
15                   and inserting “**system**”;

16                   (2) in subsection (a)—

17                           (A) by amending paragraph (1) to read as  
18                   follows:

19                   “(1) IN GENERAL.—The head of each executive  
20                   agency shall establish and maintain appropriate  
21                   preaward and prepayment procedures to prevent and  
22                   recover improper payments, including payments re-  
23                   sulting in financial loss to the Government, and to  
24                   prevent financial fraud. Such procedures shall in-  
25                   clude, at a minimum—

1           “(A) screening all persons or entities that  
2           receive, or seek to receive, Federal awards or  
3           payments against all appropriate Do Not Pay  
4           system data assets, including data assets de-  
5           scribed in paragraph (2)(a), and risk tools be-  
6           fore an award is made or a payment request is  
7           submitted to the disbursing officer in accord-  
8           ance with section 3325a; and

9           “(B) a periodic review of available data as-  
10          sets and notification to the Secretary of any  
11          data asset that the agency requires access to,  
12          either directly or through the Do Not Pay sys-  
13          tem.”;

14          (B) in paragraph (2)—

15                 (i) by striking “At a minimum and  
16                 before issuing any payment or award, each  
17                 executive agency shall review as appro-  
18                 priate the following databases to verify eli-  
19                 gibility of the payment and award:” and  
20                 inserting the following: “Consistent with  
21                 the routine use authority under section  
22                 552a of title 5, and subject to the require-  
23                 ments of paragraphs (3) and (6), the Sec-  
24                 retary shall have access to the following

1 data assets for the purposes described in  
2 paragraph (1):”; and

3 (ii) by adding at the end the fol-  
4 lowing:

5 “(G) Information made available to such  
6 head pursuant to a request made under section  
7 6103(i)(9)(A) of the Internal Revenue Code of  
8 1986.

9 “(H) Information made available to the  
10 Secretary of Treasury by the Commissioner of  
11 Social Security pursuant to section 235 of the  
12 Social Security Act.”; and

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

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

16 “(A) PUBLICATION OF DATA ASSETS.—  
17 The Secretary shall publish and maintain a  
18 System of Records Notice for the Do Not Pay  
19 system that identifies each data asset, the rou-  
20 tine use authority under which the data asset is  
21 accessed, the specific permitted purposes, and  
22 the access controls applicable to each data  
23 asset. A data asset may not be accessed  
24 through the Do Not Pay system before publica-

1           tion of the applicable routine use in the System  
2           of Records Notice.

3           “(B) DESIGNATION.—The Secretary may  
4           designate additional categories of data assets  
5           for inclusion in the Do Not Pay system to ad-  
6           dress risks of fraud and improper payments.

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

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

15           “(ii) provide public notice and an op-  
16          portunity for comment for not less than 30  
17          days prior to designation.

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

24          “(E) NON-SENSITIVE DATA.—Data assets  
25          that do not include personally identifiable or

1 law enforcement sensitive information may be  
2 added at the discretion of the Secretary without  
3 designation if a list of such data sets is dis-  
4 closed to the public on a public website main-  
5 tained by the Department of the Treasury.

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

25 “(5) LIMITATION ON USE.—

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

12           “(B) IMPLEMENTATION OF SYSTEM.—The  
13 Do Not Pay system shall be implemented in a  
14 manner to strictly provide match-based queries  
15 that return only limited responses derived from  
16 the data submitted by any individual described  
17 in subparagraph (A) with the minimum data  
18 exchanged in order to conduct the verification  
19 match, if—

20           “(i) such responses to match-based  
21 queries are limited to a confirmation or de-  
22 nial of a match, the level of confidence in  
23 a match, the data sources that informed  
24 the match, and other administrative  
25 metadata or the minimum additional data

1 elements necessary to achieve the purposes  
2 described in paragraph (1); and

3 “(ii) any individual described in sub-  
4 paragraph (A) may not retrieve, browse,  
5 make repeated and tailored match-based  
6 inquiries with the intention of reconsti-  
7 tuting the underlying record in another  
8 system, or otherwise access any underlying  
9 record maintained in the Do Not Pay sys-  
10 tem under subsection (a)(2) beyond the in-  
11 formation necessary to resolve a match-  
12 based query solely for the purposes de-  
13 scribed in paragraph (1).

14 “(C) INDIVIDUALS ACCESSING INFORMA-  
15 TION.—Any individual described in subpara-  
16 graph (A)—

17 “(i) may not take an adverse action  
18 against any individual based solely upon  
19 the information obtained under such sub-  
20 paragraph;

21 “(ii) shall take additional independent  
22 steps to verify the eligibility of a benefit  
23 recipient before taking any adverse action,  
24 when necessary or appropriate or when re-  
25 quired by applicable law; and

1                   “(iii) shall make an independent judg-  
2                   ment regarding the decision to certify a  
3                   payment for disbursement or pursue recov-  
4                   ery of a potentially improper payment.

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

19                  “(7) PENALTY FOR UNLAWFUL DISCLOSURE.—  
20                  Any individual described in paragraph (5)(A) who  
21                  knowingly and willfully discloses information in vio-  
22                  lation of paragraph (5) shall be fined not more than  
23                  \$250,000, imprisoned not more than 5 years, or  
24                  both.

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

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

13           (3) by striking subsections (b) through (c) and  
14           inserting the following:

15           “(b) ESTABLISHMENT OF SYSTEM.—The Secretary  
16           of the Treasury shall establish and maintain a Do Not  
17           Pay system, which shall be administered and operated by  
18           the Fiscal Service of the Department of the Treasury. The  
19           Do Not Pay system shall include—

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

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

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

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

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

19 “(B) periodic review of available data as-  
20 sets and notification to the Secretary of any  
21 data asset that the agency requires access to,  
22 either directly or through the Do Not Pay sys-  
23 tem.

24 “(2) OTHER GOVERNMENTAL USE.—The judi-  
25 cial and legislative branches of the United States (as

1 defined in section 202(e) of title 18) shall have ac-  
2 cess to the Do Not Pay system strictly for purposes  
3 of verifying eligibility for payments and preventing  
4 fraud and improper payments as authorized under  
5 subsection (a)(1).

6 “(3) PRIVACY REQUIREMENTS.—The Secretary,  
7 in consultation with the Director of the Office of  
8 Management and Budget, shall issue regulations im-  
9 plementing this section, including establishing pri-  
10 vacy and other requirements applicable to such ac-  
11 cess, consistent with section 552a of title 5.

12 “(d) QUARTERLY REPORT.—The Secretary shall sub-  
13 mit to the appropriate authorizing and appropriations  
14 committees of Congress quarterly reports on the operation  
15 of the Do Not Pay system, which may be included as part  
16 of another report submitted to Congress by the Secretary,  
17 and which shall include the following:

18 “(1) Performance measures for monitoring the  
19 effectiveness of the system in reducing improper  
20 payments.

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

23 “(3) Recommendations for legislative or admin-  
24 istrative action to enhance the operations of the sys-  
25 tem.

1           “(4) An assessment of agency, State, and local  
2           compliance with the requirements of this section, in-  
3           cluding a listing of all memorandums established  
4           with the head of an agency under subsection (a)(4)  
5           that documents agency use of the Do Not Pay sys-  
6           tem.

7           “(e) EVALUATION.—Not less than annually, the  
8           Evaluation Officer of the agency, as designated under sec-  
9           tion 313 of title 5, shall provide the appropriate authoriza-  
10          tion and appropriations committees of Congress an evalua-  
11          tion of the Do Not Pay system, including the best avail-  
12          able estimate of the effectiveness of the system in reducing  
13          fraud and improper payments that lead to financial loss  
14          of the Government in agency programs on a monthly and  
15          regional basis for such program. The evaluation shall in-  
16          clude an analysis of which data sources maintained by the  
17          Do Not Pay system are attributed to identifying or reduc-  
18          ing instances of likely fraudulent or improper payments  
19          by count and total dollar savings value to the Government.

20          “(f) CONTINUITY AND TRANSITION.—

21                 “(1) CONTINUATION OF PREVIOUS SYSTEM IF  
22                 NECESSARY.—The Do Not Pay initiative in effect on  
23                 the day before the date of the enactment of this sec-  
24                 tion shall continue as necessary to support imple-  
25                 mentation of the Do Not Pay system.

1           “(2) GUIDANCE, RULES, AND PROCEDURES.—  
2           Guidance, rules, and procedures in effect before the  
3           date of the enactment of this section shall remain in  
4           effect until modified by the Secretary or the Director  
5           of the Office of Management and Budget.

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

8                   “(A) except as specifically provided in sub-  
9                   section (a)(4), to modify or supersede the re-  
10                  quirements of section 552a of title 5, including  
11                  the requirements for notice in section  
12                  552a(e)(12) and for due process rights of an in-  
13                  dividual under section 552a(p); or

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

16           (4) in subsection (d)—

17                   (A) in paragraph (1)(C)—

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

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

22                   (B) by redesignating paragraphs (2)  
23                   through (4) as paragraphs (3) through 5, re-  
24                   spectively; and

1 (C) by inserting after paragraph (1) the  
2 following:

3 “(2) VOLUNTARY EXPEDITED PROCESS FOR  
4 COMPUTER MATCHING BY EXECUTIVE AGENCIES FOR  
5 PURPOSES OF USING THE DO NOT PAY SYSTEM.—

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

17 “(B) REQUIREMENT FOR USE OF TREAS-  
18 URY COMPUTER MATCHING AGREEMENT TEM-  
19 PLATE.—Not later than 90 days after the effec-  
20 tive date of this section, the Secretary of the  
21 Treasury, in consultation with the Director of  
22 the Office of Management and Budget, shall es-  
23 tablish a standard computer matching agree-  
24 ment template for the Do Not Pay system  
25 which shall authorize an agency that adopts the

1 standard template to be deemed to have satis-  
2 fied the requirements of section 552a(o) of title  
3 5 upon execution of the agreement without the  
4 need for review by a Data Integrity Board es-  
5 tablished under section 552a(u) of title 5.

6 “(C) REQUIREMENT FOR FEDERAL  
7 RECORD NOTICES AND PUBLICATION.—The  
8 standard computer matching agreement tem-  
9 plate described under paragraph (B), and any  
10 future modification to the template, shall be  
11 published in the Federal Register by the Sec-  
12 retary of the Treasury 30-days prior to putting  
13 any such template or modification of such tem-  
14 plate into effect. On a quarterly basis the Sec-  
15 retary of the Treasury shall publish in the Fed-  
16 eral Register a consolidated listing of each com-  
17 puter matching agreement using the standard-  
18 ized template under paragraph (B) and main-  
19 tain on a publicly available website all active  
20 computer matching agreements using such tem-  
21 plate or the process under paragraph (1) that  
22 shall include the agency name, data assets cov-  
23 ered, authorized purposes, and date of the  
24 agreement. The consolidated quarterly listing  
25 under this subparagraph shall satisfy the

1 matching program notice requirements of sec-  
2 tion 552a(e)(12) of title 5 for each computer  
3 matching agreement using the standardized  
4 template under paragraph (B), and no separate  
5 Federal Register publication under section  
6 552a(e)(12) shall be required of any agency  
7 participating in such an agreement.

8 “(D) TERMINATION DATE.—An agreement  
9 under this paragraph—

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

12 “(ii) during the 3-month period end-  
13 ing on the date on which the agreement is  
14 scheduled to terminate, may be renewed by  
15 each executive agency that entered into the  
16 agreement for not more than 5 years if the  
17 head of the agency attests to the Secretary  
18 of the Treasury and the Director of the  
19 Office of Management and Budget that the  
20 agreement is not being modified.

21 “(E) REQUIREMENT FOR OMB GUID-  
22 ANCE.—Not later than 60 days after the effec-  
23 tive date of this section, the Director of the Of-  
24 fice of Management and Budget, in consultation

1 with the Secretary of the Treasury, shall issue  
2 guidance to implement this paragraph.

3 “(F) MULTIPLE AGENCIES.—For purposes  
4 of this paragraph, section 552a(o)(1) of title 5  
5 shall be applied by substituting ‘between the  
6 source agency and the recipient agency or non-  
7 Federal agency or an agreement governing mul-  
8 tiple agencies’ for ‘between the source agency  
9 and the recipient agency or non-Federal agency’  
10 in the matter preceding subparagraph (A).”;  
11 and  
12 (5) by striking subsection (e).

13 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
14 The item relating to section 3354 in the table of sections  
15 for chapter 33 of title 31, United States Code, is amended,  
16 by striking “Initiative” and inserting “Program”.

17 **SEC. 4. SINGLE REPORT ON FIRST TIME USE OF FUNDS BY**  
18 **RECIPIENT.**

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

1 **“SEC. 6107. SINGLE REPORT ON FIRST TIME USE OF FUNDS**  
2 **BY RECIPIENT.**

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

12 “(1) includes any content required to be in-  
13 cluded in such report pursuant to subsection (b);  
14 and

15 “(2) is in the format required under such sub-  
16 section.

17 “(b) GOVERNMENTWIDE REPORT REGULATIONS AND  
18 GUIDANCE.—

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

20 “(A) PROMULGATION.—Not later than 1  
21 year after the date of the enactment of this sec-  
22 tion, the Director, in coordination with the Sec-  
23 retary of the Treasury and the standard-setting  
24 agency designated under section 6402(a)(1),  
25 shall promulgate regulations, and any clarifying  
26 guidance as may be necessary, to establish gov-

1           ernmentwide requirements for the content and  
2           format of the report described under subsection  
3           (a).

4                   “(B) UPDATES.—Any guidance or regula-  
5           tion promulgated under subparagraph (A) shall  
6           be updated as necessary, but in any case, shall  
7           be updated not less often than once every 5  
8           years.

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

12                   “(A) enable the head of an awarding agen-  
13          cy to determine whether amounts provided  
14          under a covered award are being used by the  
15          recipient required to submit the report, and any  
16          sub-recipient or sub-grantee thereof, for the in-  
17          tended purpose of the program, as set forth in  
18          statute, regulation, or policies and procedures  
19          of the agency;

20                   “(B) enable fraud prevention, detection, in-  
21          vestigation, and mitigation, in future awards of  
22          Federal funds to the recipient required to sub-  
23          mit the report by identifying relevant fraud-risk  
24          indicators that would require a referral for in-  
25          vestigation and criminal referral to the appro-

1           appropriate entity of the Federal Government, includ-  
2           ing any identified effort by a recipient to de-  
3           fraud the Federal Government or violate sec-  
4           tions 3729 through 3731 of title 31 (commonly  
5           referred to as the ‘False Claims Act’);

6           “(C) ensure that any sub-recipient or sub-  
7           grantee, at any level, of the recipient required  
8           to submit the report provide to such recipient  
9           such information as may be necessary to enable  
10          aggregate reporting on the covered award by  
11          the recipient;

12          “(D) require the heads of agencies to apply  
13          the governmentwide data standards established  
14          under chapter 64 with respect to the format  
15          and content of the report required to be sub-  
16          mitted;

17          “(E) align with the Federal award report-  
18          ing requirements and data standards under the  
19          Federal Funding Accountability and Trans-  
20          parency Act of 2006 (Public Law 109–282; 31  
21          U.S.C. 6101 note), to the maximum extent  
22          practicable;

23          “(F) reduce recipient and agency reporting  
24          burdens by avoiding duplication in recipient re-

1           porting obligations, to the extent practicable;  
2           and

3                   “(G) provide clarification for agencies to  
4           apply a reporting deadline exception under sub-  
5           section (a)(1), which may be made for an entire  
6           program or type of covered award, beyond 180  
7           days when the use of the covered funds by the  
8           covered recipient takes place more than 180  
9           days after a receipt of such covered award.

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

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

17                   “(2) include a summary of the post-award re-  
18           porting requirements established under subsection  
19           (a), including the required content and reporting  
20           format, in the Notice of Funding Opportunity  
21           (which has the meaning given the term in section  
22           200.1 of title 2, Code of Federal Regulations) for  
23           Federal financial assistance (as defined under sec-  
24           tion 7501 of this title) in order to assist applicants

1 for such assistance in understanding post-award re-  
2 porting obligations;

3 “(3) to the maximum extent practicable—

4 “(A) provide user-friendly and plain lan-  
5 guage directives for covered recipients to fulfill  
6 their reporting obligation under subsection (a);  
7 and

8 “(B) use existing post-award reporting re-  
9 quirements to reduce the burden of cumulative  
10 post-award reporting; and

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

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

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

19 “(A) clearly states the reason for non-  
20 compliance;

21 “(B) notifies the recipient of the obligation  
22 of the agency to cease further disbursements to  
23 the entity until the covered recipient is in com-  
24 pliance; and

1           “(C) provides clear instructions to the cov-  
2           ered recipient on how to come back into compli-  
3           ance; and

4           “(2) prevent a payment voucher from being  
5           issued under section 3325 for a payment to such re-  
6           cipient for funds related to the particular program  
7           for which the report was required, until such report  
8           is submitted.

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

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

14           “(2) made available upon request to—

15           “(A) the Director;

16           “(B) the Secretary of the Treasury;

17           “(C) the Attorney General;

18           “(D) the Inspector General of the agency  
19           concerned; and

20           “(E) the appropriate congressional com-  
21           mittees.

22           “(f) USE OF INFORMATION INCLUDED IN REPORT.—  
23          Information included in the report required by subsection  
24          (a) shall be used by the agency in support of improper

1 payment activities of the agency under section 3352 as  
2 appropriate and applicable.

3 “(g) DEFINITIONS.—In this section:

4 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
5 TEES.—The term ‘appropriate congressional com-  
6 mittees’ means—

7 “(A) the Committees on Appropriations of  
8 the Senate and the House of Representatives;

9 “(B) the Committee on Homeland Security  
10 and Governmental Affairs of the Senate;

11 “(C) the Committee on Oversight and Gov-  
12 ernment Reform of the House of Representa-  
13 tives; and

14 “(D) any other relevant congressional com-  
15 mittee of jurisdiction.

16 “(2) COVERED AWARD.—The term ‘covered  
17 award’ means a Federal award (as defined under  
18 section 7501) in an amount not less than \$50,000  
19 (based on fiscal year 2027 constant dollars).

20 “(3) COVERED RECIPIENT.—The term ‘covered  
21 recipient’ means any entity, including any State, the  
22 District of Columbia, and any territory or possession  
23 of the United States, including a pass-through entity  
24 (as defined under section 7501), that receives the

1 covered award from a particular agency program for  
2 the first time in that program’s existence.

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

13 (b) CLARIFICATION OF APPLICATION OF FIRST RE-  
14 PORTING DEADLINE.—The report required under sub-  
15 section (a) of section 6107 of title 31, United States Code,  
16 as added by subsection (a), shall apply to a covered award  
17 made during the fiscal year following the promulgation of  
18 regulations or guidance by the Director under subsection  
19 (b)(1)(A) of such section.

20 **SEC. 5. UNITED STATES TREASURY DATA ACCESS FOR PUR-**  
21 **POSES OF PROGRAM INTEGRITY.**

22 (a) PRIVACY-PRESERVING VALIDATION OF SELECT  
23 TAX INFORMATION.—

1           (1) IN GENERAL.—Section 6103(i) of the Inter-  
2           nal Revenue Code of 1986 is amended by adding at  
3           the end the following new paragraph:

4           “(9) DISCLOSURE OF CERTAIN RETURN INFOR-  
5           MATION FOR USE IN THE DO NOT PAY WORKING  
6           SYSTEM.—

7           “(A) IN GENERAL.—Upon execution of a  
8           written intra agency agreement between the In-  
9           ternal Revenue Service and the office of the De-  
10          partment of the Treasury that operates the Do  
11          Not Pay system described in section 3354(c) of  
12          title 31, United States Code, the Secretary may  
13          disclose to any authorized individual return in-  
14          formation described in subparagraph (C) with  
15          respect to an individual taxpayer for the appli-  
16          cable period described in subparagraph (D) for  
17          the limited purpose described in subparagraph  
18          (E). The Secretary may further authorize the  
19          redisclosure of such return information by an  
20          authorized person, subject to such terms, condi-  
21          tions, and safeguards as the Secretary deter-  
22          mines appropriate, to other authorized persons  
23          described in subparagraph (B) solely for the  
24          limited purpose described in subparagraph (E).  
25          The Secretary shall disclose or permit the re-

1 disclosure of such return information only to  
2 the extent necessary and for the purpose of the  
3 Do Not Pay system assisting an authorized in-  
4 dividual to identify, prevent, and recover im-  
5 proper payments.

6 “(B) AUTHORIZED INDIVIDUAL.—For pur-  
7 poses of this paragraph, the term ‘authorized  
8 individual’ means—

9 “(i) an officer, employee, agent, or  
10 contractor of the Department of Treasury,  
11 whose official duties require access to the  
12 Do Not Pay system for the purpose of fa-  
13 cilitating the identification, prevention, or  
14 recovery of improper payments, or

15 “(ii) an officer, employee, or con-  
16 tractor of an entity authorized to access  
17 the Do Not Pay system for the purposes  
18 described in subparagraph (E).

19 “(C) RETURN INFORMATION.—The return  
20 information that may be disclosed under this  
21 paragraph is limited to—

22 “(i) taxpayer identity, and

23 “(ii) any reported identity theft re-  
24 lated to the taxpayer identification num-  
25 ber.

1           “(D) APPLICABLE PERIOD.—For purposes  
2 of this paragraph, the term ‘applicable period’  
3 means, with respect to any individual taxpayer,  
4 the period—

5                   “(i) consisting of the number of tax-  
6 able years specified in the agreement en-  
7 tered under subparagraph (A), except that  
8 such period shall not be fewer than 3 tax-  
9 able years, and

10                   “(ii) ending with the most recent tax-  
11 able year for which the information de-  
12 scribed in subparagraph (C) is available.

13           “(E) LIMITATION ON USE OF INFORMA-  
14 TION.—Information disclosed under this sub-  
15 paragraph shall be solely for the use of the au-  
16 thorized persons to whom such information is  
17 disclosed and solely for the purpose of detect-  
18 ing, preventing, and recovering improper pay-  
19 ments.”.

20           (2) CONFORMING AMENDMENTS.—

21                   (A) Section 6103(a)(3) of the Internal  
22 Revenue Code of 1986 is amended by inserting  
23 “subsection (i)(9),” after “subsection  
24 (e)(1)(D)(iii),”.

1 (B) Section 6103(p)(4) of such Code is  
2 amended—

3 (i) in the matter preceding subpara-  
4 graph (A)—

5 (I) by striking “or (7),” and in-  
6 serting “(7), or (9),”; and

7 (II) by striking “or (7)(A)(ii),”  
8 and inserting “(7)(A)(ii), or (9),”;

9 (ii) in subparagraph (F)(i), by insert-  
10 ing “or (9)” after “(i)(3)(B)(i)”; and

11 (iii) in the matter preceding subclause  
12 (I) of subparagraph (F)(ii), by striking  
13 “(5) or (7),” and inserting “(5), (7), or  
14 (9),”.

15 (C) Section 7213(a)(2) of such Code is  
16 amended by striking “or (7)(A)(ii),” and insert-  
17 ing “(7)(A)(ii), or (9),”.

18 (3) EFFECTIVE DATE.—The amendments made  
19 by this subsection shall apply to any disclosure made  
20 after the effective date of this Act.

21 (b) ACCESS TO SOCIAL SECURITY INFORMATION.—  
22 Title II of the Social Security Act (42 U.S.C. 401 et seq.)  
23 is amended by adding at the end the following new section:

1 **“SEC. 235. DISCLOSURE OF INFORMATION FOR DO NOT PAY**  
2 **SYSTEM.**

3 “(a) The Commissioner of Social Security shall enter  
4 into an agreement with the Secretary of the Treasury (or  
5 his designee) under which—

6 “(1) the Commissioner establishes a reliable, se-  
7 cure method, which compares the name and social  
8 security account number provided in an inquiry  
9 against such information maintained by the Com-  
10 missioner in order to confirm (or not confirm, in-  
11 cluding the reason for the nonconfirmation) the va-  
12 lidity of the information provided;

13 “(2) appropriate safeguards are included to as-  
14 sure that the confirmation (or nonconfirmation) is  
15 used solely for the use of the authorized persons to  
16 whom such information is disclosed and solely for  
17 the purpose of using the Do No Pay system to iden-  
18 tify, prevent, and recover improper payments, and  
19 any redisclosure shall be subject to the provisions of  
20 section 3354 of title 31, United States Code; and

21 “(3) the Secretary shall pay the Commissioner  
22 of Social Security the full costs (including systems  
23 and administrative costs) of providing the confirma-  
24 tion described in paragraph (1).

25 “(b) For purposes of this paragraph the term ‘au-  
26 thorized person’ means—

1           “(1) an officer, employee, contractor, or agent  
2           of the Department of Treasury, whose official duties  
3           require access to the Do Not Pay system, or

4           “(2) an officer, employee, or contractor of an-  
5           other Federal agency, or a State agency that man-  
6           ages Federally funded State-administered programs,  
7           whose official duties require access to the Do Not  
8           Pay system.”.

9   **SEC. 6. EFFECTIVE DATE.**

10          This Act and the amendments made by this Act shall  
11          take effect on the date that is 180 days after the date  
12          of the enactment of this Act.

