

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

1 for Fiscal Year 2014 (Public Law 113–66; 127 Stat.
2 842), and for each pay period thereafter, shall be re-
3 duced by 10 percent if a full audit of the financial
4 statements of the Department of Defense for fiscal
5 year 2018 is not completed by that deadline.

6 (b) DUE PROCESS PROTECTIONS.—

7 (1) NOTICE AND OPPORTUNITY TO RESPOND.—

8 At least 30 days before a reduction in pay takes ef-
9 fect under paragraph (1) or (2) of subsection (a) for
10 a Department of Defense position listed in sub-
11 section (c), the Secretary of Defense shall—

12 (A) notify the individual occupying the po-
13 sition of the imminent pay reduction; and

14 (B) afford the individual an opportunity to
15 prove that the requirement referred to in such
16 paragraph has been satisfied.

17 (2) APPEAL RIGHTS.—The Secretary of De-
18 fense also shall afford an individual occupying a po-
19 sition listed in subsection (c) an opportunity to ap-
20 peal an adverse decision under paragraph (1)(B)
21 against the individual to another department or
22 agency of the Federal Government. If a final deci-
23 sion on the appeal is not made by the applicable de-
24 partment or agency of the Federal Government with-
25 in 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
10 (Comptroller).

11 (3) The position of Chief Management Officer
12 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.

○