

Chuck Grassley

AMENDMENT NO. _____

Calendar No. _____

6-13-11

Purpose: To prevent fraud, waste, and abuse of taxpayer dollars through effective oversight.

5:05pm

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AMENDMENT Nº 462

By

Grassley

To

To:

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Page(s)

GPO: 2010 68-070 (mac)

AMENDMENT intended to be proposed by Mr. GRASSLEY

Viz:

1 On page 19, between the matter after line 19 and
2 line 20, insert the following:

3 **SEC. 13. PREVENTION OF FRAUD, WASTE, AND ABUSE OF**
4 **TAXPAYER DOLLARS THROUGH EFFECTIVE**
5 **OVERSIGHT.**

6 (a) IN GENERAL.—Title II of the Public Works and
7 Economic Development Act of 1965 (42 U.S.C. 3141 et
8 seq.) (as amended by section 12(a)) is amended by adding
9 at the end the following:

1 **“SEC. 220. PREVENTION OF FRAUD, WASTE, AND ABUSE OF**
2 **TAXPAYER DOLLARS THROUGH EFFECTIVE**
3 **OVERSIGHT.**

4 “(a) IN GENERAL.—To limit, fraud, waste, and
5 abuse, any grant authorized or funded under section 203,
6 207(a), 701(a), or 704 shall be subject to the require-
7 ments of this section.

8 “(b) PROHIBITION ON AWARDING OF GRANTS TO
9 DELINQUENT FEDERAL DEBTORS.—

10 “(1) IN GENERAL.—The head of any executive
11 agency that offers a grant under a provision of law
12 referred to in subsection (a), in excess of an amount
13 equal to the simplified acquisition threshold (as de-
14 fined in section 134 of title 41, United States Code),
15 may not award such grant to any person unless such
16 person submits with the application for such grant
17 a form—

18 “(A) certifying that the person does not
19 have a seriously delinquent tax debt; and

20 “(B) authorizing the Secretary of the
21 Treasury to disclose to the head of the execu-
22 tive agency information limited to describing
23 whether the person has a seriously delinquent
24 tax debt.

25 “(2) TIME OF DISCLOSURE.—The authorization
26 for disclosure required under paragraph (1)(B) shall

1 authorize such disclosures to be made with respect
2 to seriously delinquent tax debt—

3 “(A) at the time the form described in
4 paragraph (1) is submitted, and

5 “(B) in the case of a grant that is awarded
6 over period lasting more than 1 year, for each
7 year during which the person receives such
8 grant beginning with the year after the year in
9 which the form described in paragraph (1) is
10 submitted .

11 “(3) RELEASE OF INFORMATION.—The Sec-
12 retary of the Treasury shall make available to all ex-
13 ecutive agencies a standard form for the certification
14 and authorization described in paragraph (1).

15 “(4) REVISION OF REGULATIONS.—Not later
16 than 270 days after the date of the enactment of
17 this section, the Director of the Office of Manage-
18 ment and Budget shall revise such regulations as
19 necessary to incorporate the requirements of this
20 section.

21 “(5) DEFINITIONS AND SPECIAL RULES.—For
22 purposes of this section:

23 “(A) SERIOUSLY DELINQUENT TAX
24 DEBT.—

1 “(i) IN GENERAL.—The term ‘seri-
2 ously delinquent tax debt’ means an out-
3 standing debt under the Internal Revenue
4 Code of 1986 for which a notice of lien has
5 been filed in public records pursuant to
6 section 6323 of such Code.

7 “(ii) EXCEPTIONS.—Such term does
8 not include—

9 “(I) a debt that is being paid in
10 a timely manner pursuant to an
11 agreement under section 6159 or sec-
12 tion 7122 of such Code; and

13 “(II) a debt with respect to
14 which a collection due process hearing
15 under section 6330 of such Code, or
16 relief under subsection (b), (c), or (f)
17 of section 6015 of such Code, is re-
18 quested or pending.

19 “(B) EXECUTIVE AGENCY.—The term ‘ex-
20 ecutive agency’ has the meaning given such
21 term in section 133 of title 41, United States
22 Code.

23 “(C) SECRETARY OF THE TREASURY.—
24 The term ‘Secretary of the Treasury’ includes a
25 delegate of the Secretary of the Treasury.

1 “(D) TREATMENT OF PARTNERSHIPS AND
2 S CORPORATIONS.—

3 “(i) PARTNERSHIPS.—A partnership
4 shall be treated as a person with a seri-
5 ously delinquent tax debt if such partner-
6 ship has a partner who—

7 “(I) owns 50 percent or more of
8 either the capital interest or profits
9 interest in such partnership; and
10 “(II) has a seriously delinquent
11 tax debt.

12 “(ii) TREATMENT OF S CORPORA-
13 TIONS.—An S corporation (as defined in
14 section 1361 of the Internal Revenue Code
15 of 1986) shall be treated as a person with
16 a seriously delinquent tax debt if such S
17 corporation has a member or a shareholder
18 who—

19 “(I) owns 50 percent or more (by
20 vote or value) of the stock of such cor-
21 poration; and

22 “(II) has a seriously delinquent
23 tax debt.

24 “(c) ANNUAL AUDITS.—

1 “(1) DEFINITION OF UNRESOLVED AUDIT FIND-
2 ING.—In this subsection, the term ‘unresolved audit
3 finding’ means an audit report finding or rec-
4 ommendation that the grantee has used grant funds
5 for an unauthorized expenditure or otherwise unal-
6 lowable cost that is not closed or resolved during the
7 1-year period beginning on the date of an initial no-
8 tification of the finding or recommendation.

9 “(2) AUDIT REQUIREMENT.—Effective for fiscal
10 year 2012 and each fiscal year thereafter, to prevent
11 waste, fraud, and abuse of funds by grantees, the
12 Comptroller General of the United States shall con-
13 duct an audit of not less than 10 percent of all
14 grantees awarded funding under a provision of law
15 referred to in subsection (a).

16 “(3) MANDATORY EXCLUSION.—A grantee that
17 is awarded funds under a provision of law referred
18 to in subsection (a) that is found to have an unre-
19 solved audit finding shall not be eligible for an
20 award of grant funds under this Act for the 2 fiscal
21 years following the applicable 1-year period de-
22 scribed in paragraph (1).”.

23 (b) TECHNICAL AMENDMENT.—The table of contents
24 of the Public Works and Economic Development Act of

- 1 1965 (42 U.S.C. 3121 et seq.) is amended by adding after
- 2 section 219 (as added by section 12(b)) the following:

“Sec. 220. Prevention of fraud, waste, and abuse of taxpayer dollars through effective oversight.”.