

The bill sunsets in 5 years, and the National Academy for Public Administrators would submit an evaluation just prior to its sunset.

The bill has been endorsed by the major State and local governing organizations, such as the National Governors Association, the National Council of State Legislatures, the National Association of Counties, the Council of State Governments, the National League of Cities, the International City and County Management Association and the U.S. Conference of Mayors.

This legislation, we believe, is on the right track. I urge my colleagues to pass this fair, open rule and the underlying things that it will accomplish in this legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague, the gentleman from Texas (Mr. SESSIONS), for yielding me the customary 30 minutes.

Mr. Speaker, I support this rule that allows Members to offer all germane amendments to the underlying bill, the Federal Financial Assistance Management Improvement Act.

Our legislative process works best when bills are first considered and perfected through our committee system. While this bill has not had the full benefit of the committee process, I know of no opposition to the bill.

I would like to congratulate the gentleman from California (Mr. HORN), the chairman, and the gentleman from Texas (Mr. TURNER), the ranking member of the Subcommittee on Government Management, Information and Technology, for working together to craft the bill and possible manager's amendments.

H.R. 409 seeks to streamline the process of delivering Federal assistance to individuals and localities. It is designed to simplify the grant application and reporting process by eliminating duplicative or conflicting administrative requirements.

Like all my colleagues, I support efforts to reduce unnecessary paperwork requirements and endorse both legislative and executive efforts to streamline regulations.

Mr. Speaker, I support this open rule that will allow full and fair debate on H.R. 409.

Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING IN ORDER AS ORIGINAL BILL THE AMENDMENT IN THE NATURE OF A SUBSTITUTE NUMBERED 1, PRINTED IN THE CONGRESSIONAL RECORD, DURING CONSIDERATION OF H.R. 436, GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1999

Mr. HORN. Mr. Speaker, I ask unanimous consent that during the consideration of H.R. 436 in the Committee of the Whole, pursuant to House Resolution 43, that it be in order to consider as an original bill for the purpose of amendment under the 5-minute rule the amendment in the nature of a substitute that is printed in the CONGRESSIONAL RECORD at pages H-718 through H-721; that the amendment in the nature of a substitute be considered as read; that points of order against the amendment in the nature of a substitute for failure to comply with clause 4 of rule XXI and section 303 of the Congressional Budget Act of 1974 be waived; and that any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to that amendment in the nature of a substitute.

This language has been cleared with our friends on the other side of the aisle.

The SPEAKER pro tempore. The Clerk will report the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute numbered 1, printed in the CONGRESSIONAL RECORD, offered by Mr. Horn:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the "Government Waste, Fraud, and Error Reduction Act of 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.
- Sec. 4. Application of Act.

**TITLE I—GENERAL MANAGEMENT IMPROVEMENTS**

- Sec. 101. Improving financial management.
- Sec. 102. Improving travel management.

**TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES**

- Sec. 201. Miscellaneous corrections to subchapter II of chapter 37 of title 31, United States Code.
- Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.
- Sec. 203. Collection and compromise of nontax debts and claims.

**TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES**

- Sec. 301. Authority to sell nontax debts.
- Sec. 302. Requirement to sell certain nontax debts.

**TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS**

- Sec. 401. Annual report on high value nontax debts.

- Sec. 402. Review by Inspectors General.
- Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value nontax debt.

**TITLE V—FEDERAL PAYMENTS**

- Sec. 501. Transfer of responsibility to Secretary of the Treasury with respect to prompt payment.
- Sec. 502. Promoting electronic payments.
- Sec. 503. Debt services account.

**SEC. 2. PURPOSES.**

The purposes of this Act are the following:

- (1) To reduce waste, fraud, and error in Federal benefit programs.
- (2) To focus Federal agency management attention on high-risk programs.
- (3) To better collect debts owed to the United States.
- (4) To improve Federal payment systems.
- (5) To improve reporting on Government operations.

**SEC. 3. DEFINITION.**

As used in this Act, the term "nontax debt" means any debt (within the meaning of that term as used in chapter 37 of title 31, United States Code) other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

**SEC. 4. APPLICATION OF ACT.**

No provision of this Act shall apply to the Department of the Treasury or the Internal Revenue Service to the extent that such provision—

- (1) involves the administration of the internal revenue laws; or
- (2) conflicts with the Internal Revenue Service Restructuring and Reform Act of 1998, the Internal Revenue Code of 1986, or the Tariff Act of 1930.

**TITLE I—GENERAL MANAGEMENT IMPROVEMENTS**

**SEC. 101. IMPROVING FINANCIAL MANAGEMENT.**

Section 3515 of title 31, United States Code, is amended—

- (1) in subsection (a)—
  - (A) by striking "1997" and inserting "2000"; and
  - (B) by inserting "Congress and" after "submit to"; and
- (2) by striking subsections (e), (f), (g), and (h).

**SEC. 102. IMPROVING TRAVEL MANAGEMENT.**

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: "The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title."

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use

travel management centers, travel agents, and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 2000.

(C) PAYMENT OF STATE AND LOCAL TAXES ON TRAVEL EXPENSES.—

(1) IN GENERAL.—The Administrator of General Services shall develop a mechanism to ensure that employees of executive agencies are not inappropriately charged State and local taxes on travel expenses, including transportation, lodging, automobile rental, and other miscellaneous travel expenses.

(2) REPORT.—Not later than March 31, 2000, the Administrator shall, after consultation with the heads of executive agencies, submit to Congress a report describing the steps taken, and proposed to be taken, to carry out this subsection.

## TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

### SEC. 201. MISCELLANEOUS CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply.”.

(b) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(c) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking “delinquent loans” and inserting “debts”.

(d) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is amended by adding at the end the following:

“(11) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor’s current employer, the location of the payroll office of the debtor’s current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

“(12) In evaluating the performance of a contractor under any contract entered into under this subsection, the Secretary of the Treasury shall consider the contractor’s gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

“(13) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that considers the bidder’s prior performance in terms of net amounts collected under Government collection contracts of similar size, if applicable. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.”.

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is amended by adding at the end the following:

“(h) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be pre-

cluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor’s current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

“(i) In evaluating the performance of a contractor under any contract for the performance of debt collection services entered into by an executive, judicial, or legislative agency, the head of the agency shall consider the contractor’s gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.

“(j) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that considers the bidder’s prior performance in terms of net amounts collected under government collection contracts of similar size, if applicable. The existence and frequency of valid debtor complaints shall also be considered in the evaluation criteria.”.

(3) CONSTRUCTION.—None of the amendments made by this subsection shall be construed as altering or superseding the provisions of title 11, United States Code, or section 6103 of the Internal Revenue Code of 1986.

(e) CLERICAL AMENDMENT.—Section 3720A(h) of title 31, United States Code, is amended—

(1) beginning in paragraph (3), by striking the close quotation marks and all that follows through the matter preceding subsection (i); and

(2) by adding at the end the following:

“For purposes of this subsection, the disbursing official for the Department of the Treasury is the Secretary of the Treasury or his or her designee.”.

(f) CORRECTION OF REFERENCES TO FEDERAL AGENCY.—Sections 3716(c)(6) and 3720A(a), (b), (c), and (e) of title 31, United States Code, are each amended by striking “Federal agency” each place it appears and inserting “executive, judicial, or legislative agency”.

(g) INAPPLICABILITY OF ACT TO CERTAIN AGENCIES.—Notwithstanding any other provision of law, no provision in this Act, the Debt Collection Improvement Act of 1996 (chapter 10 of title III of Public Law 104-134; 31 U.S.C. 3701 note), chapter 37 or subchapter II of chapter 33 of title 31, United States Code, or any amendments made by such Acts or any regulations issued thereunder, shall apply to activities carried out pursuant to a law enacted to protect, operate, and administer any deposit insurance funds, including the resolution and liquidation of failed or failing insured depository institutions.

(h) CONTRACTS FOR COLLECTION SERVICES.—Section 3718 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (b)(1)(A), by inserting “, or, if appropriate, any monetary claim, including any claims for civil fines or penalties, asserted by the Attorney General” before the period;

(2) in the third sentence of subsection (b)(1)(A)—

(A) by inserting “or in connection with other monetary claims” after “collection of claims of indebtedness”;

(B) by inserting “or claim” after “the indebtedness”;

(C) by inserting “or other person” after “the debtor”;

(3) in subsection (d), by inserting “or any other monetary claim of” after “indebtedness owed”.

### SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL BENEFITS.

(a) IN GENERAL.—Section 3720B of title 31, United States Code, is amended to read as follows:

#### “§ 3720B. Barring delinquent Federal debtors from obtaining Federal benefits

“(a)(1) A person shall not be eligible for the award or renewal of any Federal benefit described in paragraph (2) if the person has an outstanding nontax debt that is in a delinquent status with any executive, judicial, or legislative agency, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional Federal benefits described in paragraph (2) only after such delinquency is resolved in accordance with those standards.

“(2) The Federal benefits referred to in paragraph (1) are the following:

“(A) Financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee.

“(B) Any Federal permit or Federal license required by law.

“(b) The Secretary of the Treasury may exempt any class of claims from the application of subsection (a) at the request of an executive, judicial, or legislative agency.

“(c)(1) The head of any executive, judicial, or legislative agency may waive the application of subsection (a) to any Federal benefit that is administered by the agency based on standards promulgated by the Secretary of the Treasury.

“(2) The head of an executive, judicial, or legislative agency may delegate the waiver authority under paragraph (1) to the chief financial officer or, in the case of any Federal performance-based organization, the chief operating officer of the agency.

“(3) The chief financial officer or chief operating officer of an agency to whom waiver authority is delegated under paragraph (2) may redelegate that authority only to the deputy chief financial officer or deputy chief operating officer of the agency. Such deputy chief financial officer or deputy chief operating officer may not redelegate such authority.

“(d) As used in this section, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 31, United States Code, is amended by striking the item relating to section 3720B and inserting the following:

“3720B. Barring delinquent Federal debtors from obtaining Federal benefits.”.

(c) CONSTRUCTION.—The amendment made by this section shall not be construed as altering or superseding the provisions of title 11, United States Code.

### SEC. 203. COLLECTION AND COMPROMISE OF NONTAX DEBTS AND CLAIMS.

(a) USE OF PRIVATE COLLECTION CONTRACTORS AND FEDERAL DEBT COLLECTION CENTERS.—Paragraph (5) of section 3711(g) of title 31, United States Code, is amended to read as follows:

“(5)(A) Nontax debts referred or transferred under this subsection shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities.

“(B) The head of each executive agency that operates a debt collection center may enter into an agreement with the Secretary of the Treasury to carry out the purposes of this subsection.

“(C) The Secretary of the Treasury shall—

“(i) maintain a schedule of private collection contractors and debt collection centers operated by agencies that are eligible for referral of claims under this subsection;

“(ii) maximize collections of delinquent nontax debts by referring delinquent nontax debts to private collection contractors promptly;

“(iii) maintain competition between private collection contractors;

“(iv) ensure, to the maximum extent practicable, that a private collection contractor to which a nontax debt is referred is responsible for any administrative costs associated with the contract under which the referral is made.

“(D) As used in this paragraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

(b) **LIMITATION ON DISCHARGE BEFORE USE OF PRIVATE COLLECTION CONTRACTOR OR DEBT COLLECTION CENTER.**—Paragraph (9) of section 3711(g) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (H) as clauses (i) through (viii);

(2) by inserting “(A)” after “(9)”;

(3) in subparagraph (A) (as designated by paragraph (2) of this subsection) in the matter preceding clause (i) (as designated by paragraph (1) of this subsection), by inserting “and subject to subparagraph (B)” after “as applicable”; and

(4) by adding at the end the following:

“(B)(i) The head of an executive, judicial, or legislative agency may not discharge a nontax debt or terminate collection action on a nontax debt unless the debt has been referred to a private collection contractor or a debt collection center, referred to the Attorney General for litigation, sold without recourse, administrative wage garnishment has been undertaken, or in the event of bankruptcy, death, or disability.

“(ii) The head of an executive, judicial, or legislative agency may waive the application of clause (i) to any nontax debt, or class of nontax debts if the head of the agency determines that the waiver is in the best interest of the United States.

“(iii) As used in this subparagraph, the term ‘nontax debt’ means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930.”

### **TITLE III—SALE OF NONTAX DEBTS OWED TO UNITED STATES**

#### **SEC. 301. AUTHORITY TO SELL NONTAX DEBTS.**

(a) **PURPOSE.**—The purpose of this section is to provide that the head of each executive, judicial, or legislative agency shall establish a program of nontax debt sales in order to—

(1) minimize the loan and nontax debt portfolios of the agency;

(2) improve credit management while serving public needs;

(3) reduce delinquent nontax debts held by the agency;

(4) obtain the maximum value for loan and nontax debt assets; and

(5) obtain valid data on the amount of the Federal subsidy inherent in loan programs conducted pursuant to the Federal Credit Reform Act of 1990 (Public Law 93-344).

(b) **SALES AUTHORIZED.**—(1) Section 3711 of title 31, United States Code, is amended by inserting after subsection (h) the following new subsection:

“(i)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and using competitive procedures, any nontax debt owed to the United States that is administered by the agency.

“(2) Costs the agency incurs in selling nontax debt pursuant to this subsection may be deducted from the proceeds received from the sale. Such costs include—

“(A) the costs of any contract for identification, billing, or collection services;

“(B) the costs of contractors assisting in the sale of nontax debt;

“(C) the fees of appraisers, auctioneers, and realty brokers;

“(D) the costs of advertising and surveying; and

“(E) other reasonable costs incurred by the agency, as determined by the Director of the Office of Management and Budget.

“(3) Sales of nontax debt under this subsection—

“(A) shall be for—

“(i) cash; or

“(ii) cash and a residuary equity, joint venture, or profit participation, if the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the proceeds will be greater than the proceeds from a sale solely for cash;

“(B) shall be without recourse against the United States; and

“(C) shall transfer to the purchaser all rights of the United States to demand payment of the nontax debt, other than with respect to a residuary equity, joint venture, or profit participation under subparagraph (A)(ii), but shall not transfer to the purchaser any rights or defenses uniquely available to the United States.

“(3) This subsection is not intended to limit existing statutory authority of the head of an executive, judicial, or legislative agency to sell loans, nontax debts, or other assets.”

#### **SEC. 302. REQUIREMENT TO SELL CERTAIN NONTAX DEBTS.**

Section 3711 of title 31, United States Code, is amended further by adding at the end the following new subsection:

“(j)(1)(A) The head of each executive, judicial, or legislative agency shall sell any nontax loan owed to the United States by the later of—

“(i) the date on which the nontax debt becomes 24 months delinquent; or

“(ii) 24 months after referral of the nontax debt to the Secretary of the Treasury pursuant to section 3711(g)(1) of title 31, United States Code. Sales under this subsection shall be conducted under the authority in section 301.

“(B) The head of an executive, judicial, or legislative agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, may exempt from sale delinquent debt or debts under this subsection if the head of the agency determines that the sale is not in the best financial interest of the United States.

“(2) The head of each executive, judicial, or legislative agency shall sell each loan obligation arising from a program administered by the agency, not later than 6 months after the loan is disbursed, unless the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the loan was disbursed, or the head of the agency, in consultation with the Director of the Office of Management and Budget and the

Secretary of the Treasury, determines that a longer period is necessary to protect the financial interests of the United States. Sales under this subsection shall be conducted under the authority in section 301.

“(3) After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of nontax debts owed to the United States unless the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the sale is not in the best financial interests of the United States. Sales under this paragraph shall be conducted under the authority of subsection (i).

“(4)(A) The head of an executive, judicial, or legislative agency shall not, without the approval of the Attorney General, sell any nontax debt that is the subject of an allegation of or investigation for fraud, or that has been referred to the Department of Justice for litigation.

“(B) The head of an executive, judicial, or legislative agency may exempt from sale under this subsection any class of nontax debts or loans if the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the indebtedness was incurred.”

### **TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS**

#### **SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX DEBTS.**

(a) **IN GENERAL.**—Not later than 90 days after the end of each fiscal year, the head of each agency that administers a program that gives rise to a delinquent high value nontax debt shall submit a report to Congress that lists each such debt.

(b) **CONTENT.**—A report under this section shall, for each debt listed in the report, include the following:

(1) The name of each person liable for the debt, including, for a person that is a company, cooperative, or partnership, the names of the owners and principal officers.

(2) The amounts of principal, interest, and penalty comprising the debt.

(3) The actions the agency has taken to collect the debt, and prevent future losses.

(4) Specification of any portion of the debt that has been written-down administratively or due to a bankruptcy proceeding.

(5) An assessment of why the debtor defaulted.

(c) **DEFINITIONS.**—In this title:

(1) **AGENCY.**—The term “agency” has the meaning that term has in chapter 37 of title 31, United States Code, as amended by this Act.

(2) **HIGH VALUE NONTAX DEBT.**—The term “high value nontax debt” means a nontax debt having an outstanding value (including principal, interest, and penalties) that exceeds \$1,000,000.

#### **SEC. 402. REVIEW BY INSPECTORS GENERAL.**

The Inspector General of each agency shall review the applicable annual report to Congress required in section 401 and make such recommendations as necessary to improve performance of the agency. Each Inspector General shall periodically review and report to Congress on the agency’s nontax debt collection management practices. As part of such reviews, the Inspector General shall examine agency efforts to reduce the aggregate amount of high value nontax debts that are resolved in whole or in part by compromise, default, or bankruptcy.

**SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.**

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

**TITLE V—FEDERAL PAYMENTS**

**SEC. 501. TRANSFER OF RESPONSIBILITY TO SECRETARY OF THE TREASURY WITH RESPECT TO PROMPT PAYMENT.**

(a) DEFINITION.—Section 3901(a)(3) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(b) INTEREST.—Section 3902(c)(3)(D) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

(c) REGULATIONS.—Section 3903(a) of title 31, United States Code, is amended by striking “Director of the Office of Management and Budget” and inserting “Secretary of the Treasury”.

**SEC. 502. PROMOTING ELECTRONIC PAYMENTS.**

(a) EARLY RELEASE OF ELECTRONIC PAYMENTS.—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

“(1) provide that the required payment date is—

“(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;” and

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Secretary of the Treasury may waive the application of requirements under paragraph (1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Secretary of the Treasury, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a nontax debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Secretary of the Treasury shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

**SEC. 503. DEBT SERVICES ACCOUNT.**

(a) TRANSFER OF FUNDS TO DEBT SERVICES ACCOUNT.—The Secretary of the Treasury may transfer balances in accounts established before the date of the enactment of this Act pursuant to section 3711(g)(7) of title 31, United States Code, to the Debt Services Account established under subsection (b). All amounts transferred to the Debt Services Account under this section shall remain available until expended.

(b) ESTABLISHMENT OF DEBT SERVICES ACCOUNT.—Subsection (g)(7) of section 3711 of title 31, United States Code, is amended by striking the second sentence and inserting the following: “Any fee charged pursuant to this subsection shall be deposited into an account established in the Treasury to be known as the ‘Debt Services Account’ (hereinafter referred to in this section as the ‘Account’).”

(c) REIMBURSEMENT OF FUNDS.—Section 3711(g) of title 31, United States Code, is amended—

(1) by striking paragraph (8);  
 (2) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively; and  
 (3) by amending paragraph (9) (as redesignated by paragraph (2)) to read as follows:

“(9) To carry out the purposes of this subsection, including services provided under sections 3716 and 3720A, the Secretary of the Treasury may—

“(A) prescribe such rules, regulations, and procedures as the Secretary considers necessary;

“(B) transfer such funds from funds appropriated to the Department of the Treasury as may be necessary to meet liabilities and obligations incurred prior to the receipt of fees that result from debt collection; and

“(C) reimburse any funds from which funds were transferred under subparagraph (B) from fees collected pursuant to sections 3711, 3716, and 3720A. Any reimbursement under this subparagraph shall occur during the period of availability of the funds transferred under subparagraph (B) and shall be available to the same extent and for the same purposes as the funds originally transferred.”.

(d) DEPOSIT OF TAX REFUND OFFSET FEES.—The last sentence of section 3720A(d) of title 31, United States Code, is amended to read as follows: “Amounts paid to the Secretary of the Treasury as fees under this section shall be deposited into the Debt Services Account of the Department of the Treasury described in section 3711(g)(7) and shall be collected and accounted for in accordance with the provisions of that section.”.

Mr. HORN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from California?

There was no objection.

**GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1999**

The SPEAKER pro tempore (Mr. SESSIONS). Pursuant to House Resolution 43 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 436.

□ 1227

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the consideration of the bill (H.R. 436) to reduce waste, fraud, and error in Government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes, with Mr. GIBBONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. TURNER) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Federal Government's failure to collect delinquent debts is costing American taxpayers billions of dollars each year. According to the Department of the Treasury, the Federal Government is owed approximately \$50 billion in delinquent nontax debt. The tax debt is even more. Of that amount, more than \$47 billion has been delinquent for more than 180 days.

In addition, the Federal Government also writes off an additional \$10 billion in delinquent nontax debt each year. To facilitate the collection of this enormous amount of nontax debt owed to the Federal Government, the taxpayers, Congress passed and the President signed into law, in 1996, the Debt Collection Improvement Act.

This bipartisan legislation, in which the gentlewoman from New York (Mrs. MALONEY), the then Ranking Democrat on the Subcommittee on Government Management, Information and Technology, was the coauthor, and she had had great experience with this in the New York City Council, and this legislation established significant new debt collection tools and enhanced existing ones. These included centralized servicing of debts more than 180 days delinquent at the Department of Treasury's Financial Management Service and at designated agency debt collection centers.

The 1996 act also enhanced existing debt collection tools such as the Federal payment offset, a program where a portion of a Federal payment to a delinquent debtor can be intercepted to satisfy the delinquent Federal debt. The legislation also expanded the use of private collection agencies to assist in collecting delinquent nontax debts.

The bill before the House of Representatives, H.R. 436, the Government Waste, Fraud, and Error Reduction Act of 1999, builds on the 1996 Debt Collection Improvement Act by providing the Federal government with additional tools to improve its collection of delinquent nontax debts. The bill includes provisions that seek to reduce waste, fraud and error in the Federal benefit