



**Legislative Bulletin..... Wednesday, April 25, 2012**

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**H.R. 2146 – Digital Accountability and Transparency Act of 2011 or DATA Act**

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**H.R. 2146 – Digital Accountability and Transparency Act of 2011 or DATA Act  
(Issa, R-CA)**

**Order of Business:** The bill is scheduled to be considered on April 25, 2012, under a motion to suspend the rules and pass the bill.

**Summary:** This [legislation](#) establishes an independent board within the Executive Branch to track and makes public federal spending on grants, contracts and loans. Federal agencies and other recipients of federal funds would also be made to report how their allocated funds were utilized. The board is required to designate common data elements and standards to create their database, and they will have the authority to prescribe civil penalties for recipient noncompliance. To increase transparency and accountability for the use of government funds, all information is to be made public on the internet.

Federal spending data, as currently available, is not accurate, not consistent, and not complete. According to non-partisan Sunlight Foundation, only 33% of grant programs accurately reported their information to USASpending.gov. The DATA Act will create strong reporting standards for all federal spending data, and combine information reported by agencies, the Treasury, and directly from recipients. This will enhance transparency and accountability, allow fractured and ineffective reporting requirements to be streamlined, and make spending information more useful to policymakers, agency managers, and the public. Recipients of federal funds will see immediate compliance relief from standardized reporting.

Supporters of the Data Act say that it will save billions of dollars. The federal government pays out \$1.1 trillion per year in contracts, grants, loans, and other awards. The DATA Act will prevent and recover tens of millions of dollars in improper payments, and help IGs recommend billions in savings through the use of a high tech forensic accounting system. The DATA Act will also result in savings from better internal spending control and better Congressional oversight.

The DATA Act is based on a working high-tech forensic accounting system, the Recovery Operation Center. As of August 31, 2011, the ROC's capabilities with only \$200 billion in federal awards:

- Recovered and prevented \$29 million in improper payments.
- Helped IGs recommend nearly \$900 million in savings out of \$200 billion in spending.
- Resulted in 219 indictments, with nearly 1643 open investigations into potential fraud.
- All without having access to internal spending information or Treasury disbursements.

**Background:** In the wake of the GSA's \$822,000 tab at a 2010 conference in Las Vegas, which prompted the resignation of the Agency's top official and the firing of her two top deputies, several pieces of legislation were introduced on the House and Senate side to deal with this national disgrace.

Federal spending data, as currently available, is *not* accurate, *not* consistent, *not* complete. Nobody can really "follow-the-money" without hundreds of hours of investigation and analysis- making government less effective and more expensive.

Some articles about H.R. 2146:

- [TechPresident Article](#)
- [PcWorld Article](#)
- [GCN Article](#)

### **Outside Groups Support:**

#### [Americans for Tax Reform](#)

"In the wake of revelations regarding the spending abuses at the General Services Administration, government transparency must be reformed to root out this kind of waste, fraud and abuse. The status quo has produced mediocre data reporting amongst an obscure network of reporting websites and oversight agencies. This has squandered millions of taxpayer dollars and allows wasteful spending to go unchecked. The DATA Act simplifies and modernizes this process, making government more accountable to taxpayers."

#### [AICPA \(The American Institute of CPAs\)](#)

"On behalf of the 377,000 members of the American Institute of Certified Public Accountants (AICPA), I am writing in support of H.R. 2146, the "Digital Accountability and Transparency Act," or DATA Act, because it includes important provisions that will enhance transparency."

**Committee Action:** The legislation was introduced on June 13, 2011, and it was referred to the Committee on oversight and Government Reform. The Committee reported the legislation as amended on October 25, 2011.

**Administration Position:** None available.

**Cost to Taxpayers:** [CBO](#) estimated that implementing the legislation will cost \$575 million over the 2012-2016 period, subject to appropriation. The legislation would also collect of civil and criminal penalties for noncompliance, but CBO estimates the effect of these will not be significant in any year.

**Does the Bill Expand the Size and Scope of the Federal Government?:** Overall it will limit the size and scope of the federal government by making it more accountable.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** [House Report 112-260](#) states: “H.R. 2146 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.”

**Constitutional Authority:** Rep. Issa’s [statement](#): “Congress has the power to enact this legislation pursuant to the following: Article 1, Section 9, Clause 7: `No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.’”

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