

**AMENDMENT TO THE RULES COMMITTEE PRINT
FOR H.R. 4435
OFFERED BY MR. COFFMAN OF COLORADO**

At the end of subtitle A of title X, add the following
new sections:

1 **SEC. 1005. FAILURE TO OBTAIN AUDITS WITH UNQUALI-**
2 **FIED OPINION OF FISCAL YEAR 2015 GEN-**
3 **ERAL FUND STATEMENT OF BUDGETARY RE-**
4 **SOURCES OF THE DEPARTMENT OF DE-**
5 **FENSE.**

6 (a) IN GENERAL.—If the Department of Defense
7 fails to obtain an audit with an unqualified opinion on its
8 general fund statement of budgetary resources for fiscal
9 year 2015 by December 31, 2015, the following shall take
10 effect on January 1, 2016:

11 (1) ADDITIONAL QUALIFICATIONS AND DUTIES
12 OF USD (COMPTROLLER).—

13 (A) QUALIFICATIONS.—Any individual
14 nominated for appointment to the position of
15 Under Secretary of Defense (Comptroller)
16 under section 135 of title 10, United States
17 Code, shall be an individual who has served—

1 (i) as the chief financial officer of a
2 Federal or State agency that has received
3 an audit with an unqualified opinion on
4 such agency's financial statements during
5 the time of such individual's service; or

6 (ii) as the chief financial officer of a
7 public company that has received an audit
8 with an unqualified opinion on such com-
9 pany's financial statements during the
10 time of such individual's service.

11 (B) DUTIES AND POWERS.—The duties
12 and powers of the individual serving as Under
13 Secretary of Defense (Comptroller) shall in-
14 clude, in addition to the duties and powers
15 specified in section 135(c) of title 10, United
16 States Code, such duties and powers with re-
17 spect to the financial management of the De-
18 partment of Defense as the Deputy Secretary of
19 Defense (acting in the capacity of Chief Man-
20 agement Officer of the Department of Defense)
21 or a successor official in the Department of De-
22 fense (acting in such capacity) may prescribe.

23 (2) ADDITIONAL QUALIFICATIONS AND RESPON-
24 SIBILITIES OF ASA FOR FINANCIAL MANAGEMENT.—

1 (A) QUALIFICATIONS.—Any individual
2 nominated for appointment to the position of
3 Assistant Secretary of the Army for Financial
4 Management under section 3016 of title 10,
5 United States Code, shall be an individual who
6 has served—

7 (i) as the chief financial officer of a
8 Federal or State agency that has received
9 an audit with an unqualified opinion on
10 such agency's financial statements during
11 the time of such individual's service; or

12 (ii) as the chief financial officer of a
13 public company that has received an audit
14 with an unqualified opinion on such com-
15 pany's financial statements during the
16 time of such individual's service.

17 (B) RESPONSIBILITIES.—The responsibil-
18 ities of the individual serving as Assistant Sec-
19 retary of the Army for Financial Management
20 shall include, in addition to the responsibilities
21 specified in section 3016(b)(4) of title 10,
22 United States Code, such responsibilities as the
23 Deputy Secretary of Defense (acting in the ca-
24 pacity of Chief Management Officer of the De-
25 partment of Defense) or a successor official in

1 the Department of Defense (acting in such ca-
2 pacity) may prescribe.

3 (3) ADDITIONAL QUALIFICATIONS AND RESPON-
4 SIBILITIES OF ASN FOR FINANCIAL MANAGEMENT.—

5 (A) QUALIFICATIONS.—Any individual
6 nominated for appointment to the position of
7 Assistant Secretary of the Navy for Financial
8 Management under section 5016 of title 10,
9 United States Code, shall be an individual who
10 has served—

11 (i) as the chief financial officer of a
12 Federal or State agency that has received
13 an audit with an unqualified opinion on
14 such agency's financial statements during
15 the time of such individual's service; or

16 (ii) as the chief financial officer of a
17 public company that has received an audit
18 with an unqualified opinion on such com-
19 pany's financial statements during the
20 time of such individual's service.

21 (B) RESPONSIBILITIES.—The responsibil-
22 ities of the individual serving as Assistant Sec-
23 retary of the Navy for Financial Management
24 shall include, in addition to the responsibilities
25 specified in section 5016(b)(3) of title 10,

1 United States Code, such responsibilities as the
2 Deputy Secretary of Defense (acting in the ca-
3 pacity of Chief Management Officer of the De-
4 partment of Defense) or a successor official in
5 the Department of Defense (acting in such ca-
6 pacity) may prescribe.

7 (4) ADDITIONAL QUALIFICATIONS AND RESPON-
8 SIBILITIES OF ASAF FOR FINANCIAL MANAGE-
9 MENT.—

10 (A) QUALIFICATIONS.—Any individual
11 nominated for appointment to the position of
12 Assistant Secretary of the Air Force for Finan-
13 cial Management under section 8016 of title 10,
14 United States Code, shall be an individual who
15 has served—

16 (i) as the chief financial officer of a
17 Federal or State agency that has received
18 an audit with an unqualified opinion on
19 such agency's financial statements during
20 the time of such individual's service; or

21 (ii) as the chief financial officer of a
22 public company that has received an audit
23 with an unqualified opinion on such com-
24 pany's financial statements during the
25 time of such individual's service.

1 (B) RESPONSIBILITIES.—The responsibil-
2 ities of the individual serving as Assistant Sec-
3 retary of the Air Force for Financial Manage-
4 ment shall include, in addition to the respon-
5 sibilities specified in section 8016(b)(3) of title
6 10, United States Code, such responsibilities as
7 the Deputy Secretary of Defense (acting in the
8 capacity of Chief Management Officer of the
9 Department of Defense) or a successor official
10 in the Department of Defense (acting in such
11 capacity) may prescribe.

12 (b) PUBLIC COMPANY DEFINED.—In this section, the
13 term “public company” has the meaning given the term
14 “issuer” in section 2(a)(7) of the Sarbanes-Oxley Act of
15 2002 (15 U.S.C. 7201(7)).

16 **SEC. 1006. FAILURE OF THE DEPARTMENT OF DEFENSE TO**
17 **OBTAIN AUDITS WITH UNQUALIFIED OPINION**
18 **OF FISCAL YEAR 2018 FINANCIAL STATE-**
19 **MENTS.**

20 If the Department of Defense fails to obtain an audit
21 with an unqualified opinion on its general fund statement
22 of budgetary resources for fiscal year 2018 by December
23 31, 2018:

24 (1) PERMANENT CESSATION OF ENHANCED
25 GENERAL TRANSFER AUTHORITY.—Effective as of

1 January 1, 2019, the authority in section 4(a) shall
2 cease to be available to the Department of Defense
3 for fiscal year 2018 and any fiscal year thereafter.

4 (2) REORGANIZATION OF RESPONSIBILITIES OF
5 CHIEF MANAGEMENT OFFICER.—Effective as of
6 April 1, 2019:

7 (A) POSITION OF CHIEF MANAGEMENT OF-
8 FICER.—Section 132a of title 10, United States
9 Code, is amended to read as follows:

10 **“§ 132a. Chief Management Officer**

11 “(a) IN GENERAL.—(1) There is a Chief Manage-
12 ment Officer of the Department of Defense, appointed
13 from civilian life by the President, by and with the advice
14 and consent of the Senate.

15 “(2) Any individual nominated for appointment as
16 Chief Management Officer shall be an individual who
17 has—

18 “(A) extensive executive level leadership and
19 management experience in the public or private sec-
20 tor;

21 “(B) strong leadership skills;

22 “(C) a demonstrated ability to manage large
23 and complex organizations; and

24 “(D) a proven record in achieving positive oper-
25 ational results.

1 “(b) POWERS AND DUTIES.—The Chief Management
2 Officer shall perform such duties and exercise such powers
3 as the Secretary of Defense may prescribe.

4 “(c) SERVICE AS CHIEF MANAGEMENT OFFICER.—
5 (1) The Chief Management Officer is the Chief Manage-
6 ment Officer of the Department of Defense.

7 “(2) In serving as the Chief Management Officer of
8 the Department of Defense, the Chief Management Offi-
9 cer shall be responsible for the management and adminis-
10 tration of the Department of Defense with respect to the
11 following:

12 “(A) The expenditure of funds, accounting, and
13 finance.

14 “(B) Procurement, including procurement of
15 any enterprise resource planning (ERP) system and
16 any information technology (IT) system that is a fi-
17 nancial feeder system, human resources system, or
18 logistics system.

19 “(C) Facilities, property, nonmilitary equip-
20 ment, and other resources.

21 “(D) Strategic planning, annual performance
22 planning, and identification and tracking of perform-
23 ance measures.

1 “(E) Internal audits and management analyses
2 of the programs and activities of the Department,
3 including the Defense Contract Audit Agency.

4 “(F) Such other areas or matters as the Sec-
5 retary of Defense may designate.

6 “(3) The head of the Defense Contract Audit Agency
7 shall be under the supervision of, and shall report directly
8 to, the Chief Management Officer.

9 “(d) PRECEDENCE.—The Chief Management Officer
10 takes precedence in the Department of Defense after the
11 Secretary of Defense and the Deputy Secretary of De-
12 fense.”.

13 (B) CONFORMING AMENDMENTS.—

14 (i) Section 131(b) of title 10, United
15 States Code, is amended—

16 (I) by striking paragraph (3);

17 (II) by redesignating paragraph
18 (2) as paragraph (3); and

19 (III) by inserting after paragraph
20 (1) the following new paragraph (2):

21 “(2) The Chief Management Officer of the De-
22 partment of Defense.”.

23 (ii) Section 132 of such title is
24 amended—

1 (I) by striking subsection (c);

2 and

3 (II) by redesignating subsections

4 (d) and (e) as subsections (c) and (d),

5 respectively.

6 (iii) Section 133(e)(1) of such title is

7 amended by striking “and the Deputy Sec-

8 retary of Defense” and inserting “, the

9 Deputy Secretary of Defense, and the

10 Chief Management Officer of the Depart-

11 ment of Defense”.

12 (iv) Such title is further amended by

13 inserting “the Chief Management Officer

14 of the Department of Defense,” after “the

15 Deputy Secretary of Defense,” each place

16 it appears in the provisions as follows:

17 (I) Section 133(e)(2).

18 (II) Section 134(c).

19 (v) Section 137a(d) of such title is

20 amended by striking “the Secretaries of

21 the military departments,” and all that fol-

22 lows and inserting “the Chief Management

23 Officer of the Department of Defense, the

24 Secretaries of the military departments,

25 and the Under Secretaries of Defense.”.

1 (vi) Section 138(d) of such title is
2 amended by striking “the Secretaries of
3 the military departments,” and all that fol-
4 lows through the period and inserting “the
5 Chief Management Officer of the Depart-
6 ment of Defense, the Secretaries of the
7 military departments, the Under Secre-
8 taries of Defense, and the Director of De-
9 fense Research and Engineering.”.

10 (C) CLERICAL AMENDMENT.—The table of
11 sections at the beginning of chapter 4 of such
12 title is amended by striking the item relating to
13 section 132a and inserting the following new
14 item:

“132a. Chief Management Officer.”.

15 (D) EXECUTIVE SCHEDULE.—Section
16 5313 of title 5, United States Code, is amended
17 by adding at the end the following:

18 “Chief Management Officer of the Department
19 of Defense.”.

20 (E) REFERENCE IN LAW.—Any reference
21 in any provision of law to the Chief Manage-
22 ment Officer of the Department of Defense
23 shall be deemed to refer to the Chief Manage-
24 ment Officer of the Department of Defense

1 under section 132a of title 10, United States
2 Code (as amended by this paragraph).

3 (3) JURISDICTION OF DFAS.—Effective as of
4 April 1, 2019:

5 (A) TRANSFER TO DEPARTMENT OF THE
6 TREASURY.—Jurisdiction of the Defense Fi-
7 nance and Accounting Service (DFAS) is trans-
8 ferred from the Department of Defense to the
9 Department of the Treasury.

10 (B) ADMINISTRATION.—The Secretary of
11 the Treasury shall administer the Defense Fi-
12 nance and Accounting Service following transfer
13 under this paragraph through the Financial
14 Management Service of the Department of the
15 Treasury.

16 (C) MEMORANDUM OF UNDERSTANDING.—
17 The Secretary of Defense and the Secretary of
18 the Treasury shall jointly enter into a memo-
19 randum of understanding regarding the trans-
20 fer of jurisdiction of the Defense Finance and
21 Accounting Service under this paragraph. The
22 memorandum of understanding shall provide for
23 the transfer of the personnel and other re-
24 sources of the Service to the Department of the
25 Treasury and for the assumption of responsi-

1 bility for such personnel and resources by the
2 Department of the Treasury.

3 (D) CONSTRUCTION.—Nothing in this
4 paragraph shall be construed as terminating, al-
5 tering, or revising any responsibilities or au-
6 thorities of the Defense Finance and Account-
7 ing Service (other than responsibilities and au-
8 thorities in connection with the exercise of ju-
9 risdiction of the Service following transfer
10 under this paragraph).

