

AMENDMENT TO THE RULES COMMITTEE PRINT

117-13

OFFERED BY MS. LEE OF CALIFORNIA

Add at the end of subtitle A of title X the following new section:

1 **SEC. 10__ . DEPARTMENT OF DEFENSE SPENDING REDUC-**
2 **TIONS IN THE ABSENCE OF AN UNQUALIFIED**
3 **AUDIT OPINION.**

4 (a) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that—

6 (1) as the overall defense budget is cut, the
7 congressional defense committees and the Depart-
8 ment of Defense should not endanger the Armed
9 Forces by reducing wounded warrior accounts or
10 vital protection (such as body armor) for members
11 of the Armed Forces serving in harm's way;

12 (2) the valuation of legacy assets by the De-
13 partment of Defense should be simplified without
14 compromising essential controls or generally accept-
15 ed government auditing standards; and

16 (3) nothing in this Act should be construed to
17 require or permit the declassification of accounting
18 details about classified defense programs, and, as re-

1 required by law, the Department of Defense should en-
2 sure financial accountability in such programs using
3 proven practices, including using auditors with secu-
4 rity clearances.

5 (b) IN GENERAL.—

6 (1) REDUCTIONS.—If, during any fiscal year
7 after fiscal year 2022, the Comptroller of the De-
8 partment of Defense fails to certify to Congress that
9 a department, agency, or other element of the De-
10 partment of Defense has achieved an unqualified
11 opinion on its full financial statements, the amount
12 available for such department, agency, or element
13 shall be reduced—

14 (A) for the fiscal year during which such
15 determination is made, by an amount equal to
16 0.5 percent; and

17 (B) for any subsequent fiscal year during
18 which such determination is made, by an
19 amount equal to 1.0 percent;

20 (2) APPLICATION OF REDUCTIONS.—For any
21 fiscal year for which a reduction is made pursuant
22 to paragraph (1) for a department, agency, or ele-
23 ment, the amount of the reduction shall be applied
24 on a pro rata basis against each program, project,

1 and activity of such department, agency, or element
2 for that fiscal year.

3 (3) USE OF REDUCED AMOUNTS.—The amount
4 of any reduction made under paragraph (1) shall be
5 deposited in the General Fund of the Treasury and
6 shall be available for purposes of deficit reduction.

7 (c) ACCOUNTS EXCLUDED.—The following accounts
8 are excluded from any reductions under subsection (a):

9 (1) Military personnel, reserve personnel, and
10 National Guard personnel accounts of the Depart-
11 ment of Defense.

12 (2) The Defense Health Program account of
13 the Department of Defense.

14 (d) WAIVER.—The President may waive subsection
15 (a) with respect to an account if the President—

16 (1) certifies that the application of such sub-
17 section to that account would—

18 (A) negatively affect the national security
19 of the United States or members of the Armed
20 Forces who are deployed in combat zones; or

21 (B) affect the Defense Health Program ac-
22 count; and

23 (2) submits to the Committee on Appropria-
24 tions and the Committee on the Budget of the
25 House of Representatives and the Committee on Ap-

1 appropriations and the Committee on the Budget of
2 the Senate a report on such waiver that includes a
3 description of the specific activities that would be af-
4 fected and why such activities are essential to the
5 national security of the United States.

6 (e) REPORT.—Not later than 60 days after a reduc-
7 tion takes effect under subsection (a), the Director of the
8 Office of Management and Budget shall submit to Con-
9 gress a report specifying each department, agency, or
10 other element of the Department of Defense subject to re-
11 duction and the amount of the reduction.

12 (f) DEFINITIONS.—In this section:

13 (1) The terms “financial statement” and “ex-
14 ternal independent auditor” have the meanings given
15 those terms in section 3521(e) of title 31, United
16 States Code.

17 (2) The term “unqualified”, with respect to the
18 audit status of a financial statement, includes the
19 characterizations clean and unmodified.

