

**AMENDMENT TO RULES COMMITTEE PRINT 115-**

**23**

**OFFERED BY MR. LEWIS OF MINNESOTA**

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

1 **SEC. 1004. EFFECT OF FAILURE TO MEET DEADLINES FOR**  
2 **VALIDATION OF FINANCIAL STATEMENTS OF**  
3 **THE DEPARTMENT OF DEFENSE AS READY**  
4 **FOR AUDIT AND FOR SUBMISSION OF FULL**  
5 **AUDIT ON FINANCIAL STATEMENTS OF THE**  
6 **DEPARTMENT OF DEFENSE FOR FISCAL YEAR**  
7 **2018.**

8 (a) PAY REDUCTION FOR FAILURE TO MEET DEAD-  
9 LINES.—Subject to subsection (b), but notwithstanding  
10 any other provision of law, the annual rate of pay for each  
11 Department of Defense position listed in subsection (c)—  
12 (1) beginning with the first pay period com-  
13 mencing on or after the deadline specified in section  
14 1003(a)(2)(A)(ii) of the National Defense Authoriza-  
15 tion Act for Fiscal Year 2010 (Public Law 111–84;  
16 10 U.S.C. 2222 note), and for each pay period  
17 thereafter, shall be reduced by 5 percent if the fi-  
18 nancial statements of the Department of Defense

1 are not validated as ready for audit by that deadline;  
2 and

3 (2) beginning with the first pay period com-  
4 mencing on or after the deadline specified in section  
5 1003(a)(2)(A)(iii) of the National Defense Author-  
6 ization Act for Fiscal Year 2010 (Public Law 111-  
7 84; 10 U.S.C. 2222 note), as added by section  
8 1003(b) of the National Defense Authorization Act  
9 for Fiscal Year 2014 (Public Law 113-66; 127 Stat.  
10 842), and for each pay period thereafter, shall be re-  
11 duced by 10 percent if a full audit of the financial  
12 statements of the Department of Defense for fiscal  
13 year 2018 is not completed by that deadline.

14 (b) DUE PROCESS PROTECTIONS.—

15 (1) NOTICE AND OPPORTUNITY TO RESPOND.—

16 At least 30 days before a reduction in pay takes ef-  
17 fect under paragraph (1) or (2) of subsection (a) for  
18 a Department of Defense position listed in sub-  
19 section (c), the Secretary of Defense shall—

20 (A) notify the individual occupying the po-  
21 sition of the imminent pay reduction; and

22 (B) afford the individual an opportunity to  
23 prove that the requirement referred to in such  
24 paragraph has been satisfied.

1           (2) APPEAL RIGHTS.—The Secretary of De-  
2       fense also shall afford an individual occupying a po-  
3       sition listed in subsection (c) an opportunity to ap-  
4       peal an adverse decision under paragraph (1)(B)  
5       against the individual to another department or  
6       agency of the Federal Government. If a final deci-  
7       sion on the appeal is not made by the applicable de-  
8       partment or agency of the Federal Government with-  
9       in 30 days after receiving the appeal, the order of  
10      the Secretary imposing the pay reduction shall be  
11      final and not subject to further appeal.

12      (c) COVERED DEPARTMENT OF DEFENSE POSI-  
13      TIONS.—The Department of Defense positions subject to  
14      this section are the following:

15           (1) The position of Deputy Secretary of De-  
16      fense, who serves as the Chief Management Officer  
17      of the Department of Defense.

18           (2) The position of Under Secretary of Defense  
19      (Comptroller).

20           (3) The position of Chief Management Officer  
21      of each of the military departments.

22      (d) LIFTING OF PAY REDUCTIONS.—A reduction in  
23      pay imposed under paragraph (1) or (2) of subsection (a)

- 1 shall have no force or effect after the date on which the
- 2 requirement referred to in such paragraph is satisfied.

