AMENDMENT TO H.R. 1540, AS REPORTED
OFFERED BY MS. SCHAKOWSKY OF ILLINOIS

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

SEC. 1068. FREEZE IN BUDGET OF DEPARTMENT OF DEFENSE UNTIL UNQUALIFIED AUDIT OPINIONS ACHIEVED.

(a) Freeze.—

(1) In general.—Unless and until the requirement specified in paragraph (2) is met for the entire Department of Defense, except as provided in subsection (b), the aggregate amount of funds appropriated or otherwise made available for military functions administered by the Department of Defense (other than the functions excluded by subsection (c)) for a fiscal year may not exceed—

(A) in the case of fiscal year 2012, the aggregate amount of funds appropriated or otherwise made available for military functions administered by the Department of Defense (other than the functions excluded by subsection (b)) for fiscal year 2011; and
(B) in each fiscal year after fiscal year 2012, the aggregate amount of funds appropriated or otherwise made available for such functions for the previous fiscal year.

(2) REQUIREMENT FOR UNQUALIFIED AUDIT OPINION.—The requirement of this paragraph is that the Department of Defense (including every major Pentagon component and every major defense acquisition program of the Department) is certified by the Inspector General of the Department of Defense or an independent public accountant as achieving an unqualified audit opinion.

(b) WAIVER.—The President may waive subsection (a) with respect to a component or program of the Department if the President certifies that applying the subsection to that component or program would harm national security or members of the Armed Forces who are in combat.

(c) EXCLUSION OF OVERSEAS CONTINGENCY OPERATIONS AND MILITARY PERSONNEL PAY AND BENEFITS.—In determining the aggregate amount of funds appropriated or otherwise made available for military functions administered by the Department of Defense for fiscal year 2012 or any subsequent fiscal year for purposes of subsection (a), there shall be excluded all amounts appropriated or otherwise made available—
(1) in any supplemental appropriations Act; or

(2) in any general appropriations Acts for—

   (A) overseas contingency operations;

   (B) military personnel, reserve personnel,
   and National Guard personnel accounts of the
   Department of Defense, generally title I of the
   annual Department of Defense appropriations
   Act; and

   (C) wounded warrior programs of the De-
   partment of Defense.