

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 428

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## AN ACT

To amend title 5, United States Code, to enhance the authority under which Federal agencies may pay cash awards to employees for making cost saving and improper payment disclosures, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bonuses for Cost-Cut-  
3 ters and Fraud Preventers Act of 2026”.

4 **SEC. 2. COST SAVINGS ENHANCEMENTS.**

5 (a) DEFINITIONS.—Section 4511 of title 5, United  
6 States Code, is amended—

7 (1) in the section heading, by striking “**Defi-**  
8 **nition**” and inserting “**Definitions**”; and

9 (2) in subsection (a)—

10 (A) by striking the period at the end and  
11 inserting a semicolon;

12 (B) by striking “this subchapter, the  
13 term” and inserting the following: “this sub-  
14 chapter—

15 “(1) the term”; and

16 (C) by adding at the end the following:

17 “(2) the terms ‘improper payment’ and ‘pay-  
18 ment’ have the meanings given such terms, respec-  
19 tively, in section 3351 of title 31; and

20 “(3) the term ‘wasteful expenses’ means  
21 amounts made available for salaries and expenses  
22 accounts, operations and maintenance accounts, or  
23 other equivalent accounts—

24 “(A) that are identified by an employee of  
25 the agency under section 4512(a) as wasteful;  
26 and

1           “(B) that the Chief Financial Officer of  
2           the agency determines are not required for the  
3           purpose for which the amounts were made  
4           available.”.

5           (b) AUTHORITY.—Section 4512 of title 5, United  
6 States Code, is amended—

7           (1) in the heading, by inserting “**and im-**  
8           **proper payment**” before “**disclosures**”;

9           (2) in subsection (a)—

10           (A) by inserting after the first sentence the  
11           following: “The head of an agency may pay a  
12           cash award to any employee of such agency  
13           whose identification of wasteful expenses to the  
14           Chief Financial Officer of such agency, through  
15           a process determined by the head of such agen-  
16           cy, has resulted in cost savings for the agency  
17           or prevented a payment that, if made, would be  
18           an improper payment resulting in financial loss  
19           to the Government.”;

20           (B) in paragraph (1) by striking  
21           “\$10,000” and inserting “\$20,000”;

22           (C) in paragraph (2)—

23           (i) by inserting “or prevented im-  
24           proper payments” after “cost savings”;

1 (ii) by inserting “Chief Financial Offi-  
2 cer,” after “Inspector General,”;

3 (iii) by striking “subsection (b)” and  
4 inserting “subsection (b) or (c), as applica-  
5 ble”; and

6 (iv) by inserting “or identification”  
7 after “disclosure”; and

8 (D) in the matter following paragraph  
9 (2)—

10 (i) by inserting “, Chief Financial Of-  
11 ficer,” after “Inspector General”;

12 (ii) by inserting “or prevented im-  
13 proper payments” after “cost savings”;  
14 and

15 (iii) by inserting “or identification”  
16 after “disclosure”; and

17 (3) by adding at the end the following:

18 “(c)(1) If the Chief Financial Officer of an agency  
19 determines that potential wasteful expenses identified by  
20 an employee meet the requirements of section  
21 4511(a)(3)(B), the head of such agency shall notify the  
22 President.

23 “(2) If the Chief Financial Officer of an agency de-  
24 termines that a payment identified by an employee would,  
25 if made, be an improper payment resulting in financial

1 loss to the Government, the head of such agency shall no-  
2 tify the Secretary of the Treasury of such payment for  
3 purposes of preventing similar improper payments.

4 “(3) In the case of an agency for which there is no  
5 Chief Financial Officer, the head of the agency shall des-  
6 ignate an agency employee who shall have the authority  
7 to make the determinations for identification of wasteful  
8 expenses or prevented improper payments under this sec-  
9 tion.

10 “(d) The head of each agency shall make available,  
11 along with, and in the same manner and form as, the pro-  
12 vision of information required under section 1116 of title  
13 31, information on disclosures of wasteful expenses or pre-  
14 vented improper payments pursuant to which an award  
15 was made under this section, including—

16 “(1) a description of each disclosure of possible  
17 wasteful expenses or improper payments identified  
18 by an employee and determined by the agency to  
19 have merit; and

20 “(2) the number and amount of cash awards  
21 provided by the agency under subsection (a).

22 “(e) An individual may not receive a cash award  
23 under this subchapter if the individual is—

24 “(1) an officer or employee of the Office of the  
25 Inspector General of an agency; or

1           “(2) ineligible for a cash award under section  
2           4509.

3           “(f) The Director of the Office of Personnel Manage-  
4           ment, in coordination with the Director of the Office of  
5           Management and Budget and the Secretary of the Treas-  
6           ury, shall—

7           “(1) ensure that the cash award program of  
8           each agency under this section complies with this  
9           section; and

10           “(2) submit to the Committee on Oversight and  
11           Government Reform of the House of Representatives  
12           and the Committee on Homeland Security and Gov-  
13           ernmental Affairs of the Senate an annual certifi-  
14           cation indicating whether the cash award program of  
15           each agency under this section complies with this  
16           section.

17           “(g) Not later than 3 years after the date of enact-  
18           ment of the Bonuses for Cost-Cutters and Fraud Pre-  
19           venters Act of 2026, and every 2 years thereafter for 4  
20           years, the Comptroller General of the United States shall  
21           submit to the Committee on Oversight and Government  
22           Reform of the House of Representatives and the Com-  
23           mittee on Homeland Security and Governmental Affairs  
24           of the Senate a report on the operation of the cost savings

1 and awards program under this section, including any rec-  
2 ommendations for legislative changes.”.

3 (c) OFFICE OF MANAGEMENT AND BUDGET GUID-  
4 ANCE.—

5 (1) IN GENERAL.—Not later than six months  
6 after the date of the enactment of this Act, the Di-  
7 rector of the Office of Management and Budget, in  
8 coordination with the Director of the Office of Per-  
9 sonnel Management and the Secretary of the Treas-  
10 ury, shall issue guidance to Federal agencies on im-  
11 plementing the amendments made by this Act.

12 (2) CONTENTS.—The Director of the Office of  
13 Management and Budget shall include in the guid-  
14 ance required by paragraph (1) the following:

15 (A) Guidelines for employees of Federal  
16 agencies to identify and report within the agen-  
17 cy of such employee a wasteful expense or im-  
18 proper payment.

19 (B) Guidelines for Federal agencies to  
20 make a determination as to whether an identi-  
21 fication of a wasteful expense or improper pay-  
22 ment is appropriate.

23 (C) Guidelines for determining an appro-  
24 priate cash award for an employee of a Federal  
25 agency who identifies and reports a wasteful ex-

1           pense or improper payment, including any con-  
2           siderations for such employee’s grade, locality  
3           pay, and other considerations that may factor  
4           into the aggregate compensation limit applica-  
5           ble to such employee in a given calendar year.

6           (D) Procedures for reporting actions taken  
7           under the amendments made by this Act to the  
8           Office of Management and Budget, the Depart-  
9           ment of the Treasury, and the Office of Per-  
10          sonnel Management, as appropriate.

11          (d) EFFECTIVE DATE.—The amendments made by  
12          this section shall take effect on the date that is one year  
13          after the date of the enactment of this Act.

14          (e) TECHNICAL AND CONFORMING AMENDMENT.—  
15          The table of sections for subchapter II of chapter 45 of  
16          title 5, United States Code, is amended—

17                  (1) by striking the item relating to section 4511  
18          and inserting the following:

“4511. Definitions and general provisions.”; and

1                   (2) by striking the item relating to section 4512  
2                   and inserting the following:

“4512. Agency awards for cost savings and improper payment disclosures.”.

Passed the House of Representatives June 8, 2026.

Attest:

*Clerk.*

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