May 6, 2022

The Honorable Chris Van Hollen
Chair
Subcommittee on Financial Services
and General Government
Senate Committee on Appropriations
110 Hart Senate Office Building
Washington, DC 20510

The Honorable Cindy Hyde-Smith
Ranking Member
Subcommittee on Financial Services
and General Government
Senate Committee on Appropriations
702 Hart Senate Office Building
Washington, DC 20510

The Honorable Mike Quigley
Chairman
Subcommittee on Financial Services
and General Government
House Committee on Appropriations
2078 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Womack
Ranking Member
Subcommittee on Financial Services
and General Government
House Committee on Appropriations
2412 Rayburn House Office Building
Washington, DC 20515

Dear Chair Van Hollen, Chairman Quigley, and Ranking Members Hyde-Smith and Womack:

The Project On Government Oversight (POGO) submits the following requests for language to be included in the fiscal year 2023 Financial Services and General Government (FSGG) appropriations bill and report.

POGO is a nonpartisan independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. POGO champions reforms to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles.

To further strengthen Congress’s ability to conduct fact-based, bipartisan oversight, we would like to suggest some modest reforms, all of which could be addressed in report language accompanying the FSGG appropriations bill:

1. Provide a direct congressional appropriation to the Council of Inspectors General for Integrity and Efficiency
2. Fully and expeditiously implement the Corporate Transparency Act
3. Require the Government Accountability Office to issue a report on an access solution with respect to Alien Files
All of these suggestions are further described in the attachment to this letter.

Thank you for your consideration of these modest reforms to strengthen congressional oversight. For more information, please have your staff contact me at joanna.derman@pogo.org.

Sincerely,

Joanna Derman
Policy Analyst

Enclosure: 1

cc: Chairman of the Senate Committee on Appropriations Patrick Leahy
    Ranking Member of the Senate Committee on Appropriations Richard Shelby
    Chair of the House Committee on Appropriations Rosa DeLauro
    Ranking Member of the House Committee on Appropriations Kay Granger
POGO Recommendations to Strengthen Government Accountability and Oversight

In order to strengthen government accountability and oversight, the Project On Government Oversight (POGO) recommends the following reforms be incorporated into report language accompanying both the Senate and the House Financial Services and General Government appropriations bills for fiscal year 2023.

Provide a Direct Congressional Appropriation to the Council of the Inspectors General on Integrity and Efficiency

**Appropriations Committee:** Financial Services and General Government (FSGG)

**Agency:** Independent Agencies

**Account:** General Provisions

**Funding Level:** “Adequate Funding”

**Type of Request:** Report Language

**Justification:** The Council of the Inspectors General on Integrity and Efficiency (CIGIE) is the oversight body designed to hold federal inspectors general (IG) accountable for misconduct. Despite the critical nature of its mission, CIGIE has never received consistent annual funding. Instead, its budget relies on the piecemeal, voluntary contributions of its 73 IG member offices. This means that CIGIE cannot be confident in the size of its budget until all of its member offices have been fully funded for the year, which precludes CIGIE from engaging in long-term strategic planning. The existing funding model also means that a reduction in funding for any of CIGIE’s largest contributors would similarly translate to a reduction in CIGIE’s topline. Congress should improve CIGIE’s funding mechanism by establishing a direct congressional appropriation.

**Proposed Report Language:** The Committee directs CIGIE to determine, in consultation with its member IG offices and taking into account prior years’ budgets, what would constitute adequate funding for a direct congressional appropriation. CIGIE shall submit a congressional budget justification for the upcoming appropriations cycle. This Committee will then work with CIGIE to establish a direct congressional appropriation that is informed by this requested funding.
Fully and Expeditiously Implement the Corporate Transparency Act

**Appropriations Committee:** Financial Services and General Government (FSGG)
**Agency:** Department of the Treasury
**Account:** N/A
**Funding Level:** N/A
**Type of Request:** Report Language

**Justification:** Fully and expeditiously implementing the Corporate Transparency Act (CTA) would apply additional financial pressure on Russian oligarchs who are funding Russian President Vladimir Putin’s invasion of Ukraine. Enacted by Congress on January 1, 2021, the CTA requires corporations, limited liability companies, and similar entities to report to the Financial Crimes Enforcement Network of the Treasury Department (FinCEN) their true beneficial owners, and it then directs FinCEN to house and maintain this information in a central registry so that authorized law enforcement and financial institutions can use it to crack down on criminal and illicit financial exchanges and money laundering. The Treasury Department is currently in the process of implementing the CTA; it issued the first of what will be three Notices of Proposed Rule Making in December 2021. The administration should move quickly to issue the second and third proposed rulemakings for the CTA and to make effective final regulations. Doing so will close existing loopholes in the U.S. financial and regulatory framework and make it harder for bad actors — like Russian oligarchs — to evade oversight and hide their ill-gotten gains.

It should also be noted that FinCEN will require considerable resources to set up the registry and to ensure it has the staff and technology necessary to best utilize the information provided under the CTA. This is due, in part, to the fact that FinCEN is extremely pressed by other regulatory efforts it is being asked to advance by the White House, including initiatives to address opacity in the real estate, private investment, and luxury goods markets, in addition to other efforts that may include greater transparency in digital currency markets.

The FACT Coalition also supports this request.

**Proposed Report Language:** This Committee is concerned that the Treasury Department has not yet fully implemented the Corporate Transparency Act, and it encourages the Department to issue all remaining rules needed to implement the law as soon as possible.
Government Accountability Office Report on Access Solution to Alien Files

Appropriations Committee: Financial Services and General Government (FSGG)
Agency: Government Accountability Office
Account: General Provisions
Funding Level: N/A
Type of Request: Report Language

Justification: Requests for Alien Files (or A-files) are by far the largest set of recurring requests processed through the Freedom of Information Act (FOIA). Each year, hundreds of thousands of individuals request access to their own A-files, however, the process for obtaining these files can be slow, costly, and potentially unnecessary. A system providing immediate access for immigrants, or their lawyers, to their own releasable A-files could be established, thus avoiding the FOIA process entirely. Such a system would necessarily require modernizing how records within the A-files are produced and managed such that any law enforcement information would be easily segregated and left out of the access system. Other agencies have successfully tackled access issues with similarly challenging records, most notably the Department of Veterans Affairs providing streamlined access to medical records for veterans through the Blue Button system. Tackling access issues requires a clear vision of what is being built, as well as steady commitment to the process as the system is expanded over time to include more and more types of records. Modern, digital immigration records would not only save time and money in the FOIA process but would also make it easier for law enforcement to share and use the records.

Proposed Report Language: The Committee directs the Government Accountability Office to review, in consultation with the Department of Homeland Security, Department of Veterans Affairs, and stakeholders for the immigrant community, the records comprising the A-files and to issue a report that includes a plan to modernize those records and establish a separate access system to allow individuals to easily access their own records. The report should include a timeline that prioritizes records based on their importance, a budget estimate of funds needed, and an analysis of any major technical or legal barriers to such an approach.