



National Association of State
Auditors, Comptrollers and Treasurers

WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 July 19, 2010

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Improper Payment Bill Goes to President for His Signature

Key improper payment legislation was moved out of Congress last week, as the House passed S. 1508, the Improper Payments Elimination and Recovery Act of 2010, on a 414-0 vote. The legislation requires the head of each federal agency to account for risk factors that are likely to contribute to a susceptibility of significant improper payments, including whether payments or payment eligibility decisions are made outside of the agency, such as by a state or local government. The bill also states:

“With respect to any program or activity of an agency with estimated improper payments, the head of the agency shall provide with the estimate a report on what actions the agency is taking to reduce improper payments, including a description of the steps the agency has taken to ensure that agency managers, programs, and, where appropriate, States and localities are held accountable through annual performance appraisal criteria for meeting applicable improper payments reduction targets, establishing and maintaining sufficient internal controls, including an appropriate control environment, that effectively prevent improper payments from being made; and promptly detect and recover improper payments that are made.”

The bill’s passage was lauded by its sponsor, Sen. Tom Carper of Delaware, who said:

“After a six year journey, I am delighted that my bill, The Improper Payments Elimination and Recovery Act, is on its way to the Presi-

dent's desk. It's a perfect example of common-sense bipartisan, bicameral legislation. This bill provides the federal government with new tools to identify, recover, and hopefully prevent improper payments. This bill's passage shows our government's commitment to getting our fiscal house in order...”

Report on State Tax Revenue Shows Erratic Economy

According to the Nelson A. Rockefeller Institute of Government, states’ overall tax revenues rose 2.5 percent in the first quarter of 2010 on a year-over-year basis, marking the first such gain since the third quarter of 2008. This new revenue report, released last week, stated that although there was an increase, the overall economic picture is bleak. The report notes, “Even if the economic recovery is as rapid as those from prior recessions, it would likely take state tax revenue several years to recover to its previous peak...With the expected slow recovery from this recession, state fiscal recovery is likely to take longer.”

The full report can be found at www.rockinst.org/pdf/government_finance/state_revenue_report/2010-07-13-SRR_80.pdf.

SEC Oversight Focus of Upcoming House Hearing

On Tuesday, July 20, the House Financial Services Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises will hold a hearing to discuss the U.S. Securities and Exchange Commission. The hearing will focus on SEC oversight and evaluating the Commission’s present reform activity and future challenges. No witness list has been provided at this time,

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but the webcast can be viewed at
[www.house.gov/apps/list/hearing/
financialsvcs_dem/
cpmkthrn_07202010.shtml](http://www.house.gov/apps/list/hearing/financialsvcs_dem/cpmkthrn_07202010.shtml).

Obama Names New OMB Director

Jacob J. Lew has been asked by President Obama to come back once again and serve as director of the U.S. Office of Management and Budget. Lew served in the same capacity in the Clinton administration, as the President's top aide in charge of overseeing the budget for the entire federal government. He takes over for Peter Orzsag, who announced his intent to leave the position earlier this year.

Unemployment Extension to be Debated This Week

Needing a sixtieth vote to move the stuck unemployment extension legislation, the Senate may reopen the debate on the Restoration of Emergency Unemployment Compensation Act of 2010 on Tuesday. The bill will extend the Unemployment Compensation Program through November 30, 2010, and postpones the termination of the program until April 30, 2011. The vote hinges on the actual timing of the seating of Carte Goodwin as the new senator of West Virginia.