

**AMENDMENT TO H.R. 1728, AS REPORTED  
OFFERED BY MR. SESSIONS OF TEXAS**

After section 407, insert the following new section:

1 **SEC. 408. ACCOUNTABILITY AND TRANSPARENCY FOR CER-**  
2 **TAIN GRANT RECIPIENTS.**

3 Section 106 of the Housing and Urban Development  
4 Act of 1968 (12 U.S.C. 1701x), as amended by the pre-  
5 ceding provisions of this title, is further amended by add-  
6 ing at the end the following:

7 “(i) **ACCOUNTABILITY FOR COVERED ORGANIZA-**  
8 **TIONS.—**

9 “(1) **TRACKING OF FUNDS.—**The Secretary  
10 shall—

11 “(A) develop and maintain a system to en-  
12 sure that any covered organization (as such  
13 term is defined in paragraph (3)) that receives  
14 any grant or other financial assistance provided  
15 under this section uses such amounts in accord-  
16 ance with this section, the regulations issued  
17 under this section, and any requirements or  
18 conditions under which such amounts were pro-  
19 vided; and

1           “(B) require any covered organization, as  
2           a condition of receipt of any such grant or as-  
3           sistance, to agree to comply with such require-  
4           ments regarding assistance under this section  
5           as the Secretary shall establish, which shall in-  
6           clude—

7                       “(i) appropriate periodic financial and  
8                       grant activity reporting, record retention,  
9                       and audit requirements for the duration of  
10                      the assistance to the covered organization  
11                      to ensure compliance with the limitations  
12                      and requirements of this section and the  
13                      regulations under this section; and

14                     “(ii) any other requirements that the  
15                     Secretary determines are necessary to en-  
16                     sure appropriate administration and com-  
17                     pliance.

18           “(2) MISUSE OF FUNDS.—If any covered orga-  
19           nization that receives any grant or other financial  
20           assistance under this section is determined by the  
21           Secretary to have used any such amounts in a man-  
22           ner that is materially in violation of this section, the  
23           regulations issued under this section, or any require-  
24           ments or conditions under which such amounts were  
25           provided—

1           “(A) the Secretary shall require that, with-  
2           in 12 months after the determination of such  
3           misuse, the covered organization shall reim-  
4           burse the Secretary for such misused amounts  
5           and return to the Secretary any such amounts  
6           that remain unused or uncommitted for use.  
7           The remedies under this clause are in addition  
8           to any other remedies that may be available  
9           under law; and

10           “(B) such covered organization shall be in-  
11           eligible, at any time after such determination,  
12           to apply for or receive any further grant or  
13           other financial assistance under this section.

14           “(3) ORGANIZATIONS.—For purposes of this  
15           subsection, the term ‘covered organization’ means—

16           “(A) the Association of Community Orga-  
17           nizations for Reform Now (ACORN); or

18           “(B) any entity that is under the control  
19           of such Association, as demonstrated by—

20           “(i)(I) such Association directly own-  
21           ing or controlling, or holding with power to  
22           vote, 25 percent or more the voting shares  
23           of such other entity;

24           “(II) such other entity directly owning  
25           or controlling, or holding with power to

1 vote, 25 percent of more of the voting  
2 shares of such Association; or

3 “(III) a third entity directly owning  
4 or controlling, or holding with power to  
5 vote, 25 percent or more of the voting  
6 shares of such Association and such other  
7 entity;

8 “(ii)(I) such Association controlling,  
9 in any manner, a majority of the board of  
10 directors of such other entity;

11 “(II) such other entity controlling, in  
12 any manner, a majority of the board of di-  
13 rectors of such Association; or

14 “(III) a third entity controlling, in  
15 any manner, a majority of the board of di-  
16 rectors of such Association and such other  
17 entity;

18 “(iii) individuals serving in a similar  
19 capacity as officers, executives, or staff of  
20 both such Association and such other enti-  
21 ty;

22 “(iv) such Association and such other  
23 entity sharing office space, supplies, re-  
24 sources, or marketing materials, including

1 communications through the Internet and  
2 other forms of public communication; or

3 “(v) such Association and such other  
4 entity exhibiting another indicia of control  
5 over, control by, or common control with,  
6 such other entity or such Association, re-  
7 spectively, as may be set forth in regula-  
8 tion by the Corporation.”

