

**(c) Maintenance of contracts**

After the date described under subsection (b), the Administrator shall have the responsibility to maintain contracts for appropriate levels of goods and services in accordance with subsection (a)(1)(C).

**(d) Report on contracts not using competitive procedures**

At the end of each fiscal quarter, beginning with the first fiscal quarter occurring at least 90 days after October 4, 2006, the Administrator shall submit a report on each disaster assistance contract entered into by the Agency by other than competitive procedures to the appropriate committees of Congress.

(Pub. L. 109-295, title VI, §691, Oct. 4, 2006, 120 Stat. 1457.)

**§ 792. Limitations on tiering of subcontractors****(a) Regulations**

The Secretary shall promulgate regulations applicable to contracts described in subsection (c) to minimize the excessive use by contractors of subcontractors or tiers of subcontractors to perform the principal work of the contract.

**(b) Specific requirement**

At a minimum, the regulations promulgated under subsection (a) shall preclude a contractor from using subcontracts for more than 65 percent of the cost of the contract or the cost of any individual task or delivery order (not including overhead and profit), unless the Secretary determines that such requirement is not feasible or practicable.

**(c) Covered contracts**

This section applies to any cost-reimbursement type contract or task or delivery order in an amount greater than the simplified acquisition threshold (as defined by section 134 of title 41) entered into by the Department to facilitate response to or recovery from a natural disaster or act of terrorism or other man-made disaster. (Pub. L. 109-295, title VI, §692, Oct. 4, 2006, 120 Stat. 1458.)

## CODIFICATION

In subsec. (c), “section 134 of title 41” substituted for “section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)” on authority of Pub. L. 111-350, §6(c), Jan. 4, 2011, 124 Stat. 3854, which Act enacted Title 41, Public Contracts.

**§ 793. Oversight and accountability of Federal disaster expenditures****(a) Authority of Administrator to designate funds for oversight activities**

The Administrator may designate up to 1 percent of the total amount provided to a Federal agency for a mission assignment as oversight funds to be used by the recipient agency for performing oversight of activities carried out under the Agency reimbursable mission assignment process. Such funds shall remain available until expended.

**(b) Use of funds****(1) Types of oversight activities**

Oversight funds may be used for the following types of oversight activities related to Agency mission assignments:

(A) Monitoring, tracking, and auditing expenditures of funds.

(B) Ensuring that sufficient management and internal control mechanisms are available so that Agency funds are spent appropriately and in accordance with all applicable laws and regulations.

(C) Reviewing selected contracts and other activities.

(D) Investigating allegations of fraud involving Agency funds.

(E) Conducting and participating in fraud prevention activities with other Federal, State, and local government personnel and contractors.

**(2) Plans and reports**

Oversight funds may be used to issue the plans required under subsection (e) and the reports required under subsection (f).

**(c) Restriction on use of funds**

Oversight funds may not be used to finance existing agency oversight responsibilities related to direct agency appropriations used for disaster response, relief, and recovery activities.

**(d) Methods of oversight activities****(1) In general**

Oversight activities may be carried out by an agency under this section either directly or by contract. Such activities may include evaluations and financial and performance audits.

**(2) Coordination of oversight activities**

To the extent practicable, evaluations and audits under this section shall be performed by the inspector general of the agency.

**(e) Development of oversight plans****(1) In general**

If an agency receives oversight funds for a fiscal year, the head of the agency shall prepare a plan describing the oversight activities for disaster response, relief, and recovery anticipated to be undertaken during the subsequent fiscal year.

**(2) Selection of oversight activities**

In preparing the plan, the head of the agency shall select oversight activities based upon a risk assessment of those areas that present the greatest risk of fraud, waste, and abuse.

**(3) Schedule**

The plan shall include a schedule for conducting oversight activities, including anticipated dates of completion.

**(f) Federal disaster assistance accountability reports**

A Federal agency receiving oversight funds under this section shall submit annually to the Administrator and the appropriate committees of Congress a consolidated report regarding the use of such funds, including information summarizing oversight activities and the results achieved.

**(g) Definition**

In this section, the term “oversight funds” means funds referred to in subsection (a) that are designated for use in performing oversight activities.