



H.R. 6406 – To elevate the Inspector General of the Commodity Futures Trading Commission to an Inspector General appointed pursuant to section 3 of the Inspector General Act of 1978

FLOOR SITUATION

H.R. 6406 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative John Larson (D-CT) on June 26, 2008. The bill was referred to the Committee on Oversight and Government Reform, but was never considered.

H.R. 6406 is expected to be considered on the floor of the House on September 23, 2008.

SUMMARY

H.R. 6406 elevates the Inspector General of the Commodity Futures Trading Commission (CFTC) to an Inspector General appointed pursuant to the Inspector General Act of 1978. The IG of the CFTC will now be appointed by the President, with the consent of the Senate.

The bill states that until the Inspector General of the CFTC is appointed, the CFTC Office of Inspector General will continue in effect as before the enactment of this legislation.

BACKGROUND

The Commodity Futures Trading Commission (CFTC) was created by Congress in 1974 as an agency to regulate commodity futures markets in the U.S. Today, the CFTC assures the economic efficacy of futures commodity markets by protecting market participants against fraudulent and abusive trading practices, and encouraging competitiveness and efficiency among investors. Oil is one of many commodities that is bought and sold through future contracts for its delivery and sale. Recently, the House has passed other legislation concerning the CFTC, including H.R. 6604, Commodity Markets Transparency and Accountability Act of 2008, by a vote of 283 - 133.

The Commodity Future Trading Commission consists of five Commissioners appointed by the President to serve five-year terms, with one member designated as Chairman. The Office of the Inspector General is currently located within the Chairman's office and conducts audits of the CFTC's programs and operations. The Inspector General currently reports directly to the Chairman of the CFTC, which is uncommon in Federal agencies. The current Inspector General is A. Roy Lavik.

COST

The Congressional Budget Office (CBO) has not produced a cost estimate for H.R. 6406 as of September 23, 2008.

STAFF CONTACT

For questions or further information contact Adam Hepburn at 6-2302.