

I. SECTION 12(c): GAO AUDIT AND AUTOMATED BUDGET REDUCTION

- **The GAO Backstop:** The Government Accountability Office (GAO) shall conduct an annual audit of the FIC's operational budget to ensure no taxpayer appropriations have been used for implementation or administration.
- **Violation Trigger:** If a GAO audit detects that any taxpayer funds—including unauthorized discretionary funds or redirected agency appropriations—have been used to support FIC operations, a "Fiscal Violation" is declared.
- **Automated Penalty:** Upon a certified finding of a Fiscal Violation, the FIC shall be subject to an **automatic 50 percent budget cut** for the next fiscal year. This reduction shall apply to the 5% fine set-aside normally allocated for its operations.

II. PERSONAL LIABILITY FOR FISCAL MISMANAGEMENT

- **Agency Head Accountability:** In accordance with the **Addendum B (Personal Financial Responsibility)** standards, the use of taxpayer funds to sustain the FIC shall be treated as "Official Fraud" by the Commission's leadership.
- **Correction Mandate:** Any taxpayer funds identified by the GAO must be reimbursed to the General Fund of the Treasury using the "Personal Liability" mechanisms (including wage garnishment or pension offset) of the officials responsible for the budget oversight.