

A BILL

To abolish the Defense Contract Audit Agency, repeal the provisions of law establishing the Defense Contract Audit Agency, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Defense Contract Audit Agency Abolition Act of 2026”.

SECTION 2. FINDINGS.

Congress finds the following:

(1) The Defense Contract Audit Agency (DCAA), a component of the Department of Defense, audits defense contracts and contractors.

(2) By auditing contracts for permanent standing forces, the DCAA acts contrary to Article I, Section 8, Clause 12, which empowers Congress “To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years,” a limit reflecting the Founders’ settled distrust of standing armies in time of peace, as expressed in Federalist No. 41 and in the Anti-Federalist essays of Brutus.

(3) The functions of the DCAA are not “necessary and proper for carrying into Execution” any power vested by the Constitution in the Government of the United States and therefore find no support in Article I, Section 8, Clause 18, which Madison in Federalist No. 44 described as a means of executing powers already granted rather than a source of new ones, as the Anti-Federalist writer Brutus warned in his first essay of 1787 it would otherwise become.

(4) In carrying out its functions, the DCAA disregards the Ninth Amendment, which provides that “The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people,” including the right of the people to order their own lives, property, and affairs free of federal direction in matters the Constitution does not commit to the Federal Government.

(5) The Constitution delegates to the United States no power over procurement for permanent standing forces. By auditing contracts for permanent standing forces, the DCAA exercises powers that the Tenth Amendment reserves “to the States respectively, or to the people,” contrary to Federalist No. 45, in which Madison described the powers delegated to the Federal Government as “few and defined” and those remaining in the States as “numerous and indefinite.”

(6) The Declaration of Independence affirms that governments are instituted to secure the unalienable rights of the people and derive “their just powers from the consent of the

governed,” and it charged the Crown with having “erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance.” The DCAA perpetuates the centralized administration the Declaration condemned. The Declaration likewise condemned keeping “among us, in times of peace, Standing Armies without the Consent of our legislatures” and the effort “to render the Military independent of and superior to the Civil power.”

(7) Abolishing the Defense Contract Audit Agency and repealing the provisions of law establishing it will reduce the size and cost of the Federal Government, return to the States and to the people the powers the Constitution reserves to them, and restore the constitutional principles of limited government and enumerated powers.

SECTION 3. ABOLITION OF THE DEFENSE CONTRACT AUDIT AGENCY.

(a) In General.—The Defense Contract Audit Agency, a component of the Department of Defense, is hereby abolished effective immediately following the enactment of this Act.

(b) Wind-Down Operations.—Immediately following the enactment of this Act, the President shall designate an appropriate official to expeditiously wind down the operations of the Defense Contract Audit Agency, ceasing all functions, none of which shall be transferred to any other department or agency of the Federal Government.

(c) Transfer of Assets and Liabilities.—All assets, liabilities, contracts, property, and records of the Defense Contract Audit Agency shall be transferred to the designated official under subsection (b) for appropriate disposition.

(d) Employee Transition.—Employees of the Defense Contract Audit Agency shall be offered opportunities for reassignment within the federal government or provided with severance and retraining assistance as prescribed by existing federal law.

SECTION 4. REPEAL OF PROVISIONS OF LAW ESTABLISHING THE DEFENSE CONTRACT AUDIT AGENCY.

(a) In General.—The provisions of law establishing the Defense Contract Audit Agency, and any provision of law vesting functions in the Defense Contract Audit Agency, are hereby repealed.

(b) Conforming Amendments.—The United States Code and all other relevant Federal laws are amended by—

(1) striking all references to the Defense Contract Audit Agency and to any office, officer, or function established in or vested in the Defense Contract Audit Agency;

(2) terminating every function of the Defense Contract Audit Agency, no part of which shall be reassigned to any other department or agency of the Federal Government; and

(3) making such other conforming changes as necessary to reflect the repeal and the permanent abolition of the Defense Contract Audit Agency.

(c) Effective Date.—The repeal under this section shall take effect immediately following the enactment of this Act.

SECTION 5. TRANSITION PROVISIONS.

(a) No Restoration of Prior Structures.—No element of the Defense Contract Audit Agency shall revert to its organizational structure as it existed prior to the establishment of the Defense Contract Audit Agency, and no function of the Defense Contract Audit Agency shall be restored to any predecessor department, agency, or office.

(b) Permanent Abolition.—No department, agency, office, or other entity shall be established to carry out the functions of the Defense Contract Audit Agency abolished by this Act.

SECTION 6. SEVERABILITY.

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.