

110TH CONGRESS
2D SESSION

H. R. 5712

To require disclosure by Federal contractors of certain violations relating to the award or performance of Federal contracts.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2008

Mr. WELCH of Vermont (for himself, Mr. TOWNS, and Mr. WAXMAN) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To require disclosure by Federal contractors of certain violations relating to the award or performance of Federal contracts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Close the Contractor
5 Fraud Loophole Act”.

1 **SEC. 2. REQUIREMENT TO NOTIFY INSPECTORS GENERAL**
2 **OF CERTAIN VIOLATIONS RELATED TO CER-**
3 **TAIN FEDERAL CONTRACTS.**

4 (a) NOTIFICATION OF CERTAIN CONTRACT VIOLA-
5 TIONS.—

6 (1) REQUIREMENT.—A covered contractor shall
7 submit written notification to the Office of Inspector
8 General of the Executive agency that awarded the
9 covered contract whenever the contractor has rea-
10 sonable grounds to believe that the contractor, or a
11 principal, employee, agent, or subcontractor of the
12 contractor, has committed a violation of Federal
13 criminal law, or has received a significant overpay-
14 ment, in connection with the award or performance
15 of the covered contract or any subcontract under the
16 contract.

17 (2) CAUSE FOR DEBARMENT OR SUSPENSION.—
18 A knowing violation to notify an Inspector General
19 of a violation or overpayment covered by paragraph
20 (1) shall be a cause for debarment or suspension of
21 the covered contractor.

22 (3) TIMING OF NOTIFICATION.—A notification
23 under paragraph (1) shall be submitted within 14
24 days after the contractor becomes aware of the viola-
25 tion or overpayment.

1 (4) COPY OF NOTIFICATION.—A copy of any
2 notification under paragraph (1) shall be submitted
3 by the contractor to the contracting officer for the
4 contract.

5 (b) DEFINITIONS.—In this Act:

6 (1) The term “covered contract” means any
7 contract in an amount greater than \$5,000,000 and
8 more than 120 days in duration, whether performed
9 inside or outside the United States. The term in-
10 cludes a contract for commercial items.

11 (2) The term “covered contractor” means an
12 entity performing a covered contract awarded by an
13 executive agency.

14 (3) The term “Executive agency” has the
15 meaning provided in section 105 of title 5, United
16 States Code.

17 (c) APPLICABILITY.—This Act applies to all work
18 performed under covered contracts, whether the work is
19 performed inside or outside the United States.

○