

2007-006-29



U.S. Department of Housing and Urban Development
Office of Inspector General

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January 11, 2008

Ms. Laila Duarte
General Services Administration
Regulatory Secretariat (VIR)
1800 "I" Street, NW
Room 4035
Washington, DC 20405

Dear Ms. Duarte:

Reference: FAR Case 2007-006, Contractor Compliance Program and Integrity Reporting

The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council have proposed amending the Federal Acquisitions Regulation (FAR) to require government contractors to have a code of ethics and business conduct, to adopt internal controls to detect and prevent improper conduct relating to their government contracts, and to notify the agency Office of Inspector General and Contracting Officer whenever they become aware of violations of federal criminal law with regard to their contracts. The proposal is published at Federal Register 64019, November 14, 2007. Pursuant to the notice, I am submitting these comments in support of the proposed FAR amendment.

The U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) is committed to promoting the integrity, efficiency and effectiveness of HUD programs and operations to assist the Department in meeting its mission, by detecting and preventing waste, fraud, and abuse; and, by seeking administrative sanctions, civil recoveries and/ or criminal prosecution of those responsible for waste, fraud and abuse in HUD programs and operations.

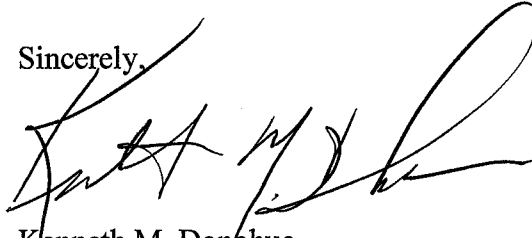
Procurement fraud has become an issue significant enough for the Department of Justice and the federal Inspectors General to form a National Procurement Fraud Task Force (NPFTF) to address the issue. HUD OIG is an active member of the NPFTF. I believe the proposed FAR amendment will contribute significantly to promote the integrity, efficiency and effectiveness of HUD's contracting program, help detect and prevent waste, fraud, and abuse in HUD contracts, and better enable the Department and the OIG to hold responsible those who seek to abuse HUD contracts.

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I do not believe the amendment will impose an undue hardship on government contractors; indeed, I believe that compliance with the amendment will be found to be in the best interest of those who seek to do business with the government, by providing an ethical, more transparent, and equitable contracting process. In addition, the exemption for small business contractors is reasonable.

I have spoken with the Department's Chief Procurement Officer and he agrees that adoption of this proposed amendment would be in the best interest of the Department. I therefore urge the adoption of FAR 2007-006.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Donohue", written over a horizontal line.

Kenneth M. Donohue
Inspector General