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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548**

FILE: B-213790

DATE: June 13, 1984

MATTER OF: The Dun & Bradstreet Corporation

DIGEST:

1. Protest that awardee's approach to contract performance--debt collection services--will constitute the unauthorized practice of law in most states is denied. The basic responsibility for defining, controlling and regulating the practice of law in any jurisdiction rests with the courts of that jurisdiction, not GAO.
2. Complaint that awardee's approach to contract performance will violate applicable professional canons of ethics is a matter for the professional organizations involved, not GAO.

The Dun & Bradstreet Corporation (D&B) protests the award of contract to American Bureau of Collections, Inc. (ABC) by the Mine Safety and Health Administration (MSHA), Department of Labor under request for proposals (RFP) No. J2630504. The contract requires ABC to provide debt collection services with respect to delinquent civil penalties assessed against mine owners for mine safety and health violations. ABC's proposal indicated that the firm would retain local attorneys to gather information about the debtors, contact debtors to arrange payments, and make recommendations to ABC on feasible approaches to debt collection. D&B contends that ABC's approach constitutes the illegal practice of law by ABC in violation of state laws and appropriate professional canons of ethics, and that MSHA's acceptance of ABC's offer improperly sanctions those violations.

We deny the protest.

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D&B contends that under the laws of most states, ABC's use of local attorneys would result in ABC itself being regarded as engaged in the unauthorized practice of law. D&B points out that the solicitation specifically requires that the contractor comply with all state laws. D&B further argues that because ABC controls and pays the attorneys from the contingent fees received from MSHA, there is a division of fees between a lay corporation and the local attorney in violation of state laws and the canons of ethics of the American Bar Association and the Commercial Law League of America.

MSHA responds that what constitutes the unauthorized practice of law in a particular jurisdiction depends upon the specific facts of a situation, and is a matter for determination by the courts of that jurisdiction. Therefore, MSHA insists, it is impossible to generalize whether the practice called for in ABC's contract constitutes the unauthorized practice of law. MSHA further argues that, in any event, in its view there is nothing in ABC's proposed approach to contract performance that would constitute an illegal practice.

It is well-settled that the basic responsibility for defining, controlling and regulating the practice of law in any jurisdiction rests with the courts of that jurisdiction. See West Virginia State Bar v. Earley, 109 S.E.2d 420 (W. Va. 1959); see also 15A Am. Jur. 2d Collection and Credit Agencies § 5 (1976). In this respect, we recognize that MSHA's solicitation requires that any contractor engaged in debt collection services for the United States comply with state laws relating to collection services, and that this provision reflects the congressional intent expressed in the Federal Claims Collection Act of 1966, 31 U.S.C. § 3718 (1982). These factors, however, impose a burden on the contractor, not the federal agency, to insure that performance does not run afoul of the requirements of particular state codes. Should the contractor encounter performance problems in that regard, it then would be up to the contractor to settle the matter with the state authorities. Cf. What-Mac Contractors, Inc., 58 Comp. Gen. 767 (1979), 79-2 CPD ¶ 179 (where we take the same position with respect to state and local licensing requirements).

