

107TH CONGRESS
2D SESSION

H. R. 4081

To require contractors with the Federal Government to possess a satisfactory record of integrity and business ethics.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2002

Mr. WYNN introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require contractors with the Federal Government to possess a satisfactory record of integrity and business ethics.

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. REQUIREMENT FOR FEDERAL CONTRACTORS**

4 **TO POSSESS SATISFACTORY RECORD OF IN-**
5 **TEGRITY AND BUSINESS ETHICS.**

6 (a) DEFENSE CONTRACTORS.—(1) Chapter 137 of
7 title 10, United States Code, is amended by inserting after
8 section 2305a the following new section:

1 **“§ 2305b. Contractor requirement for satisfactory**
2 **record of integrity and business ethics**

3 “(a) IN GENERAL.—No prospective contractor may
4 be awarded a contract with an agency under this title un-
5 less the contracting officer for the contract determines
6 that such prospective contractor has a satisfactory record
7 of integrity and business ethics, including a record of sat-
8 isfactory compliance with the law (including tax, labor and
9 employment, environmental, antitrust, and consumer pro-
10 tection laws).

11 “(b) INFORMATION TO BE CONSIDERED.—In mak-
12 ing a determination as to whether a prospective contractor
13 has a satisfactory record of integrity and business ethics,
14 a contracting officer—

15 “(1) shall consider all relevant credible informa-
16 tion, but shall give the greatest weight to any viola-
17 tions of law that have been adjudicated during the
18 3-year period preceding the offer by the prospective
19 contractor;

20 “(2) shall consider any administrative agree-
21 ments entered into with the prospective contractor if
22 the prospective contractor has taken corrective ac-
23 tion after disclosing a violation of law, and may con-
24 sider such a contractor to be a responsible con-
25 tractor if the contractor has corrected the conditions
26 that led to the misconduct;

1 “(3) shall consider failure to comply with the
2 terms of an administrative agreement to be a lack
3 of integrity and business ethics under this section;

4 “(4) may consider other relevant information,
5 such as civil or administrative complaints or similar
6 actions filed by or on behalf of a Federal agency,
7 board, or commission, if such action reflects an ad-
8 judicated determination by the agency; and

9 “(5) shall consider the following in descending
10 order of importance:

11 “(A) Convictions of and civil judgments
12 rendered against the prospective contractor
13 for—

14 “(i) commission of fraud or a criminal
15 offense in connection with obtaining, at-
16 tempting to obtain, or performing a Fed-
17 eral, State, or local contract or sub-
18 contract;

19 “(ii) violation of Federal or State
20 antitrust law relating to the submission of
21 offers; or

22 “(iii) commission of embezzlement,
23 theft, forgery, bribery, falsification, or de-
24 struction of records, making false state-

1 ment, tax evasion, or receiving stolen prop-
2 erty.

3 “(B) Indictments for the offenses de-
4 scribed in subparagraph (A).

5 “(C) With respect to tax, labor, employ-
6 ment, environmental, antitrust, or consumer
7 protection laws—

8 “(i) Federal or State felony convic-
9 tions;

10 “(ii) adverse Federal court judgments
11 in civil cases brought by the United States;

12 “(iii) adverse decisions by a Federal
13 administrative law judge, board, or com-
14 mission indicating violations of law; and

15 “(iv) Federal or State felony indict-
16 ments.”.

17 (2) The table of sections at the beginning of such
18 chapter is amended by inserting after the item relating
19 to section 2305a the following new item:

 “2305b. Contractor requirement for satisfactory record of integrity and business
 ethics.”.

20 (b) OTHER CONTRACTORS.—(1) Title III of the Fed-
21 eral Property and Administrative Services Act of 1949 (41
22 U.S.C. 251 et seq.) is amended by inserting after section
23 303L the following new section:

1 **“SEC. 303M. CONTRACTOR REQUIREMENT FOR SATISFAC-**
2 **TORY RECORD OF INTEGRITY AND BUSINESS**
3 **ETHICS.**

4 “(a) IN GENERAL.—No prospective contractor may
5 be awarded a contract with an agency unless the con-
6 tracting officer for the contract determines that such pro-
7 spective contractor has a satisfactory record of integrity
8 and business ethics, including a record of satisfactory
9 compliance with the law (including tax, labor and employ-
10 ment, environmental, antitrust, and consumer protection
11 laws).

12 “(b) INFORMATION TO BE CONSIDERED.—In mak-
13 ing a determination as to whether a prospective contractor
14 has a satisfactory record of integrity and business ethics,
15 a contracting officer—

16 “(1) shall consider all relevant credible informa-
17 tion, but shall give the greatest weight to any viola-
18 tions of law that have been adjudicated during the
19 3-year period preceding the offer by the prospective
20 contractor;

21 “(2) shall consider any administrative agree-
22 ments entered into with the prospective contractor if
23 the prospective contractor has taken corrective ac-
24 tion after disclosing a violation of law, and may con-
25 sider such a contractor to be a responsible con-

1 tractor if the contractor has corrected the conditions
2 that led to the misconduct;

3 “(3) shall consider failure to comply with the
4 terms of an administrative agreement to be a lack
5 of integrity and business ethics under this section;

6 “(4) may consider other relevant information,
7 such as civil or administrative complaints or similar
8 actions filed by or on behalf of a Federal agency,
9 board, or commission, if such action reflects an ad-
10 judicated determination by the agency; and

11 “(5) shall consider the following in descending
12 order of importance:

13 “(A) Convictions of and civil judgments
14 rendered against the prospective contractor
15 for—

16 “(i) commission of fraud or a criminal
17 offense in connection with obtaining, at-
18 tempting to obtain, or performing a Fed-
19 eral, State, or local contract or sub-
20 contract;

21 “(ii) violation of Federal or State
22 antitrust law relating to the submission of
23 offers; or

24 “(iii) commission of embezzlement,
25 theft, forgery, bribery, falsification, or de-

1 struction of records, making false state-
 2 ment, tax evasion, or receiving stolen prop-
 3 erty.

4 “(B) Indictments for the offenses de-
 5 scribed in subparagraph (A).

6 “(C) With respect to tax, labor, employ-
 7 ment, environmental, antitrust, or consumer
 8 protection laws—

9 “(i) Federal or State felony convic-
 10 tions;

11 “(ii) adverse Federal court judgments
 12 in civil cases brought by the United States;

13 “(iii) adverse decisions by a Federal
 14 administrative law judge, board, or com-
 15 mission indicating violations of law; and

16 “(iv) Federal or State felony indict-
 17 ments.”.

18 (2) The table of sections at the beginning of such Act
 19 is amended by inserting after the item relating to section
 20 303L the following new item:

“303M. Contractor requirement for satisfactory record of integrity and business
 ethics.”.

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply with respect to contracts for which

1 solicitations are issued after the date of the enactment of
2 this Act.

