

108TH CONGRESS  
1ST SESSION

# H. R. 1218

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

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2003

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:

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-

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 SATISFA-**  
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-

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

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.

○