

children have a right to be proud of their father, this great American, I would consider my life a success.

Sergeant Fry earned the Purple Heart and many other decorations for his outstanding military service. With full military honors, he was buried at Rosemount Cemetery in Waco, Texas, on March 23, 2006. I want to thank President Bush for coming to the Veterans Day ceremony this past year in Waco, Texas, to honor the Fry family.

While Sergeant Fry's final resting place may be in a cemetery in Waco, I have faith that his spirit will touch the lives of others who will be inspired by this young man's devotion to country.

John David Fry is an American hero who gave his life defending our country in Iraq. We humbly recognize that we can never fully repay this citizen or his family for their deep loss, but I hope and pray that honoring him in this way here in Congress and at the post office back in his hometown of Lorena will celebrate his dedicated service and always preserve his memory.

Mr. Speaker, with honor and respect to the life of John David Fry, I urge my colleagues to support H.R. 3721.

Mr. DAVIS of Illinois. Mr. Speaker, I commend Representative EDWARDS for the introduction of this resolution and for his eloquent, passionate statement. I am pleased to join with him in urging passage.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. DAVIS) that the House suspend the rules and pass the bill, H.R. 3721.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## CONTRACTORS AND FEDERAL SPENDING ACCOUNTABILITY ACT OF 2008

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3033) to improve Federal agency awards and oversight of contracts and assistance and to strengthen accountability of the Government-wide suspension and debarment system, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3033

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Contractors and Federal Spending Accountability Act of 2008".

### SEC. 2. DATABASE FOR CONTRACTING OFFICERS AND SUSPENSION AND DEBARMENT OFFICIALS.

(a) IN GENERAL.—Subject to the authority, direction, and control of the Director of the Office of Management and Budget, the Administrator of General Services shall estab-

lish and maintain a database of information regarding integrity and performance of persons awarded Federal contracts and grants for use by Federal officials having authority over contracts and grants.

(b) PERSONS COVERED.—The database shall cover any person awarded a Federal contract or grant if any information described in subsection (c) exists with respect to such person.

(c) INFORMATION INCLUDED.—With respect to a person awarded a Federal contract or grant, the database shall include information (in the form of a brief description) for at least the most recent 5-year period regarding—

(1) any civil or criminal proceeding, or any administrative proceeding to the extent that such proceeding results in both a finding of fault on the part of the person and the payment of restitution to a government of \$5,000 or more, concluded by the Federal Government or any State government against the person, and any amount paid by the person to the Federal Government or a State government;

(2) all Federal contracts and grants awarded to the person that were terminated in such period due to default;

(3) all Federal suspensions and debarments of the person in that period;

(4) all Federal administrative agreements entered into by the person and the Federal Government in that period to resolve a suspension or debarment proceeding and, to the maximum extent practicable, agreements involving a suspension or debarment proceeding entered into by the person and a State government in that period; and

(5) all final findings by a Federal official in that period that the person has been determined not to be a responsible source under either subparagraph (C) or (D) of section 4(7) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(7)).

(d) REQUIREMENTS RELATING TO INFORMATION IN DATABASE.—

(1) DIRECT INPUT AND UPDATE.—The Administrator shall design and maintain the database in a manner that allows the appropriate officials of each Federal agency to directly input and update in the database information relating to actions it has taken with regard to contractors or grant recipients.

(2) TIMELINESS AND ACCURACY.—The Administrator shall develop policies to require—

(A) the timely and accurate input of information into the database;

(B) notification of any covered person when information relevant to the person is entered into the database; and

(C) an opportunity for any covered person to append comments to information about such person in the database.

(e) AVAILABILITY.—

(1) AVAILABILITY TO ALL FEDERAL AGENCIES.—The Administrator shall make the database available to all Federal agencies.

(2) AVAILABILITY TO THE PUBLIC.—The Administrator shall make the database available to the public by posting the database on the General Services Administration website.

(3) LIMITATION.—This subsection does not require the public availability of information that is exempt from public disclosure under section 552(b) of title 5, United States Code.

### SEC. 3. REVIEW OF DATABASE.

(a) REQUIREMENT TO REVIEW DATABASE.—Prior to the award of a contract or grant, an official responsible for awarding a contract or grant shall review the database established under section 2.

(b) REQUIREMENT TO DOCUMENT PRESENT RESPONSIBILITY.—In the case of a prospective awardee of a contract or grant against which

a judgment or conviction has been rendered more than once within any 3-year period for the same or similar offences, if each judgment or conviction is a cause for debarment, the official responsible for awarding the contract or grant shall document why the prospective awardee is considered presently responsible.

### SEC. 4. DISCLOSURE IN APPLICATIONS.

(a) REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, Federal regulations shall be amended to require that in applying for any Federal grant or submitting a proposal or bid for any Federal contract a person shall disclose in writing information described in section 2(c).

(b) COVERED CONTRACTS AND GRANTS.—This section shall apply only to contracts and grants in an amount greater than the simplified acquisition threshold, as defined in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 401(11)).

### SEC. 5. ROLE OF INTERAGENCY COMMITTEE.

(a) REQUIREMENT.—The Interagency Committee on Debarment and Suspension shall—

(1) resolve issues regarding which of several Federal agencies is the lead agency having responsibility to initiate suspension or debarment proceedings;

(2) coordinate actions among interested agencies with respect to such action;

(3) encourage and assist Federal agencies in entering into cooperative efforts to pool resources and achieve operational efficiencies in the Governmentwide suspension and debarment system;

(4) recommend to the Office of Management and Budget changes to Government suspension and debarment system and its rules, if such recommendations are approved by a majority of the Interagency Committee;

(5) authorize the Office of Management and Budget to issue guidelines that implement those recommendations;

(6) authorize the chair of the Committee to establish subcommittees as appropriate to best enable the Interagency Committee to carry out its functions; and

(7) submit to the Congress an annual report on—

(A) the progress and efforts to improve the suspension and debarment system;

(B) member agencies' active participation in the committee's work; and

(C) a summary of each agency's activities and accomplishments in the Governmentwide debarment system.

(b) DEFINITION.—The term "Interagency Committee on Debarment and Suspension" means such committee constituted under sections 4 and 5 and of Executive Order 12549.

### SEC. 6. AUTHORIZATION OF INDEPENDENT AGENCIES.

Any agency, commission, or organization of the Federal Government to which Executive Order 12549 does not apply is authorized to participate in the Governmentwide suspension and debarment system and may recognize the suspension or debarment issued by an executive branch agency in its own procurement or assistance activities.

### SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administrator of General Services such funds as may be necessary to establish the database described in section 2.

### SEC. 8. REPORT TO CONGRESS.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Administrator of General Services shall submit to Congress a report.

(b) CONTENTS OF REPORT.—The report shall contain the following:

(1) A list of all databases that include information about Federal contracting and Federal grants.

(2) Recommendations for further legislation or administrative action that the Administrator considers appropriate to create a centralized, comprehensive Federal contracting and Federal grant database.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

#### GENERAL LEAVE

Mr. TOWNS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3033, the Contractors and Federal Spending Accountability Act of 2008, will help give Federal contracting officials the information they need to award contracts to most deserving companies. The Federal Government must spend taxpayer dollars as efficiently and responsibly as possible, and it is our job to make sure that happens. This bill will help Federal officials to decide whether or not a company bidding for a contract is responsible enough to get it.

If someone has to spend a lot of money on something, like a car, the responsible thing to do is to make sure that the person or dealership you will be doing business with is responsible and won't rip you off. You would want to find all the information that you can about how they do business.

The Federal Government must spend taxpayer dollars as efficiently and responsibly as possible, and it is our job to make sure that happens. This bill will help Federal officials to decide whether or not a company bidding for a contract is responsible enough to get it.

H.R. 3033 mandates the creation of a database that will record legal proceedings brought by the Federal Government and State governments against contractors. It will also record suspensions and debarments, whether previous contracts have been terminated for cause, and any previous finding by contracting officials that a company does not have a satisfactory record of integrity and business ethics. All Federal officials who award contracts will have access to this data, and it will go a long way to help them make informed decisions about the companies they are considering.

The bill also requires that if the database shows that someone is a repeat offender, two or more serious convictions or judgments for the same issue within 3 years, then the contracting officer has to explain in writing why they believe the contractor is currently responsible before a new contract can be awarded. This is another commonsense idea that will save money for the taxpayers.

I want to thank my friend and colleague from New York, CAROLYN MALONEY, for sponsoring this bill and for putting so much work into it. When she was on the New York City Council, she passed a similar law. The New York City database, called Vendex, has been a great success, and it is the model of the Federal database that this bill creates.

I also want to thank the chairman of our full committee, Congressman WAXMAN. Of course, I want to thank Ranking Member DAVIS, and I want to thank the ranking member of the subcommittee, Mr. BILBRAY, for his support as well.

Mr. Speaker, H.R. 3033 will be an important tool to help Federal officials make the best use of taxpayer dollars when awarding contracts. I am proud to be a cosponsor of the bill, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we rise to take up H.R. 3033, the Contractors and Federal Spending Accountability Act. This legislation would provide Federal contracting officials with information about contractors' performance and ethics.

Maintaining an ethical contractor base is critical to the integrity of the procurement system and to our Nation's governance. This bill would make a number of changes to the procurement laws in an attempt to ensure that government only contracts with responsible firms. It will require the General Services Administration to establish a publicly accessible Web site database containing information on contractors' performance and ethics.

Specifically the database would be required to include civil, criminal and administrative proceedings concluded by Federal and State Governments against Federal contractors or grant assistance recipients which result both in a finding of fault and a payment of \$5,000 or more to the government within the most recent 5-year period.

The database would also include Federal suspensions and debarments against a contractor and related administrative agreements, contract terminations for default by the contractor, and final determinations that a prospective contractor is not a "responsible" source because of performance, integrity, or ethics concerns.

Further, the bill would require the contracting or grant official to review the database to determine if, during any 3-year period, a potential awardee has had, more than once, a judgment or conviction for an offense which would constitute a cause for debarment. And if so, the official must document why a prospective awardee is eligible for award—why the prospective awardee is "presently responsible."

Additionally, the bill would require any entity seeking a Federal contract

or grant to disclose all of the information required to be included in the database. Since H.R. 3033 was introduced, it has been much improved. The original version would have created a draconian enforcement measure, establishing a "blacklist" which would defame and degrade firms merely accused of wrongdoing, not necessarily convicted or adjudicated but simply accused.

The Chamber of Commerce sent out a letter to Members dated April 22 opposing this legislation. They urged Members to oppose H.R. 3033. While I appreciate the Chamber's efforts on these issues, and I agree with the concerns that they raise, the version of the bill discussed in their letter is the version that was reported by the committee, a bill which I also did not support. But it is precisely for the reason described in the Chamber's letter that the bill was modified before we agreed to bring this bill to the House floor on suspension today. I want to note for the RECORD that the issues that we raised, the minority raised in committee and raised by the Chamber, have been fully addressed. I fully support this legislation now.

It was unclear to me what beneficial purpose would have been served by the collection of the information originally. But the chairman and the sponsor were open to our suggestions to revise the bill to include only concluded proceedings as opposed to mere allegations.

However, the most problematic section of H.R. 3033, as introduced, was the "two strikes and you're out" provision. That section would have mandated the automatic initiation of debarment proceedings against firms convicted of two offenses which otherwise would be a cause for debarment. It is appropriate to use the debarment process to prevent bad actors from getting Federal contracts, but there is no need to limit the discretion of the government's debarment officials in bringing these actions at the appropriate time. It smacks of punishment, and punishment is not what has long been and should remain the intent of the suspension debarment process. That process is to protect the government, not to punish wrongdoers.

I appreciate the opportunity to work with Chairman WAXMAN and the author of this legislation, Mrs. MALONEY, to delete what I felt was a misguided concept and replace it with the provisions in the bill we are considering today, which requires officials to take a careful look at firms with multiple convictions to determine their present responsibility.

As I pointed out during the markup of the bill, under the original "two strikes and you're out" provision, many contractors relied upon by the government, for example the Boeing company, would have debarment proceedings initiated against them. In the relevant time period, for example, Boeing had been involved in the following

incidents which could have resulted in the initiation of debarment proceedings:

In 2007, a \$1.1 million settlement for alleged over billing for aircraft parts.

In 2006, a \$30 million payment to settle claims that the nearly 100 neighbors of the Santa Susana Field nuclear research facility were sickened by decades of radioactive and toxic contamination. The settlement, which ended an 8-year legal battle, was supposed to remain confidential, but one of the plaintiffs divulged the terms to the local media.

In 2004, a \$615 million settlement to resolve the Darleen Druyun scandal and other pending investigations.

In 2003, an \$18 million settlement for alleged violations of the Arms Export Control Act and the International Traffic in Arms Regulation, a settlement to the Boeing company.

In 2003, a \$6 million settlement for violations of the Arms Export Control Act, involving further transfer of data to China.

In 2003, a \$4 million fine for violations of the Arms Export Control Act and the International Traffic in Arms Regulation.

In 2003, a \$2.5 million settlement for alleged defective pricing.

In 2003, a \$490,000 settlement for a quit tam action for alleged false claims.

Additionally, Boeing business units were suspended from receiving new Federal contracts from July 24, 2003, to March 4, 2005. The suspensions were based on a pending criminal investigation into Boeing's unlawful possession and use of a competitor's proprietary documents in connection with the competition for a U.S. Air Force contract. Under the bill as introduced, this involvement would have resulted in automatic debarment proceedings.

I was certain my colleagues would not have wanted that, and after I pointed this out, they realized it was not realistic. But not only would Boeing be affected, other Federal contractors with comparable records of involvement with the legal and administrative remedies available to the government would have been similarly impacted. This is not a sign contractors are all corrupt, it is a sign the system is working and bad behavior is being rooted out.

It is difficult to argue against contracting officers having available to them information concerning concluded State and Federal civil, criminal and administrative proceedings resulting in findings of fault and fines as well as Federal suspensions, debarments, and default terminations. The value of placing such information on a public Web site isn't clear unless it would be to punish or intimidate firms, so I continue to believe our time would have been better spent on legislation to improve our acquisition system.

This bill, while much improved, and while I support it, will do little to improve the government's ability to get

the best value goods and services it needs at fair and reasonable prices.

With that said, I thank Chairman WAXMAN, Mrs. MALONEY and the staff for their willingness to work with us and the Armed Services Committee to make this a better bill.

I reserve the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY) who is the person who sponsored the bill and has done some tremendous work.

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Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for his hard work on so many important issues to the great city of New York and our country.

I rise in strong support of H.R. 3033, the Contractor and Federal Spending Accountability Act, legislation I have authored to help bring integrity and accountability to the Federal procurement system. I want to thank Chairman WAXMAN and Ranking Member DAVIS, Chairman TOWNS and their staffs, and my own staff, for working so hard on this legislation.

The bill before us today has been modified from the version reported out by the committee to address concerns raised by some Members, including Ranking Member DAVIS. I want to thank him for his positive efforts on this bill, and for many positive efforts he has given to this committee in working in a collaborative way, and express my regret that he is retiring this year from this body.

Also, the concerns of the Chamber of Commerce have been addressed in the underlying bill. H.R. 3033, as amended, will fortify the current Federal suspension and debarment system by establishing a centralized and comprehensive database on actions taken against Federal contractors and assist participants requiring a description of each of these actions.

While the government has several separate information systems, currently there is no centralized comprehensive database for contracting officers to review prior performance and to review information on contractors before making an award or an additional contract award to contractors.

It requires the contracting officer to document why a prospective awardee is deemed responsible if that awardee has two or more offenses which would be cause for debarment within a 3-year period. H.R. 3033, as amended, specifies and clarifies that a "concluded" proceeding is one in which there is a finding of fault on the part of the person and the payment of restitution to a Federal or State government of \$5,000 or more.

Additionally, it improves and clarifies the role of the Interagency Committee on Debarments and Suspension, and requires the administrator of General Services to report to Congress within 180 days with recommendations for further action to create the database.

This legislation has been strongly and consistently supported by the Campaign for Quality Construction and the Project on Government Oversight.

Currently the Federal Government's watchdogs, the Federal suspension and debarment officials, lack the information that they need to protect our business interests and taxpayers' dollars.

This system will give government procurement officers who are making these decisions more information about the qualifications and track records of the contractors. Beyond a listing of currently debarred or suspended persons, officials are now limited to their individual agency's knowledge of an entity's track record. This bill will make it easier for these procurement officers to prevent them giving contracts to those who repeatedly violate Federal laws or have poor performance, and it will prevent them from receiving future dollars from the Federal Government.

As a New York City councilwoman, I successfully led an effort to reform the contracting system of New York City. Included in that effort was a Vendex system which checked the backgrounds and the work of the contractors before awarding contracts. It has been credited with saving the city of New York hundreds of millions of dollars.

The United States is the largest purchaser of goods and services in the world, spending more than \$419 billion on procurement awards in 2006, and over \$440 billion on grants in 2005. It is Congress's responsibility to ensure that taxpayer dollars are used wisely and not wasted, certainly not wasted in our contracting system, and we should not be giving awards to contractors who have poor performance records.

I believe by improving the system for awarding contracts, I believe that this is critical for boosting the public's faith in our government and it will save taxpayers' dollars. I urge my colleagues to support this reform bill.

Mr. DAVIS of Virginia. I reserve the balance of my time.

Mr. TOWNS. I yield 5 minutes to the chairman of the full committee, the Honorable HENRY WAXMAN from the great State of California.

Mr. WAXMAN. I thank the gentleman from the great State of New York, the able chairman of the subcommittee, for yielding to me.

H.R. 3033, as amended, would create a centralized governmentwide database of information to more effectively monitor the award of Federal tax dollars. It would include not only information on companies and grantees that have been debarred by the Federal Government, but also information on civil, criminal, and administrative proceedings that have been concluded against contractors and grant recipients.

No such comprehensive database currently exists, and creating one would allow more efficient monitoring of Federal procurement and assistance programs.

This is a commonsense initiative that would allow the Federal Government to track fraudulent contractors and grantees and stop them from moving from agency to agency if they are debarred.

The bill was introduced by Representative MALONEY, and it is modeled on legislation that she passed for the city of New York when she was a city council member. That law has been very effective for the city.

The ranking member of the Oversight Committee, Representative TOM DAVIS, raised a number of concerns with the bill as originally drafted, and we worked with Representative DAVIS and his staff to try to address these concerns, and I thank him for his willingness to work with us on this matter.

We have also made changes reflected in the bill before us today to address concerns raised by other committees with certain provisions in the bill. As I understand it, some letters have been sent out in opposition to the bill without knowing that those changes have been made to address the concerns that were raised. The result that we have before us today is a measure that enjoys bipartisan support. I urge Members to support H.R. 3033, as amended.

Mr. DAVIS of Virginia. Let me just say again to Chairman WAXMAN and to the gentlelady from New York, we appreciate you working with us. We have a bill now that enhances the system, and we have met the objections of some of the groups like the U.S. Chamber and that had been raised on our side of the aisle. I appreciate it, and urge its adoption.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today in support of H.R. 3033, the "Contractors and Federal Spending Accountability Act of 2008." H.R. 3033 mandates the establishment of a database that includes detailed information on civil, criminal, and administrative proceedings concluded against contractors and grant recipients by State and Federal governments; a listing, by contractor or grant recipient, of all contracts or grants that were terminated; any suspensions or debarments, or any agreement to resolve a suspension or debarment; any findings that the contractor or recipient is not a "responsible" source for Federal contracts.

As the great justice Louis Brandeis famously wrote, "sunlight is said to be the best of disinfectants." H.R. 3033 will shed some sunlight on the contracting world.

This database will have myriad uses. Governments at all levels can turn to it when considering whether to award a contract or grant. Citizens can look to see how their tax dollars are being spent—and what steps are being taken to prevent waste, fraud, and abuse. Job seekers can look up prospective employers to find out what kind of company they might work for. Companies can do a little due diligence about prospective customers or vendors. In this information age, there is simply no reason information such as this should not be available to all of us.

My committee oversees the Department of Homeland Security. It is still young, as are many of its contracting professionals. But even the "old pros" of the Department are new to

homeland security contracting—because homeland security contracting itself is new. A database like this—that allows these officials to quickly examine the history of prospective contractors—might have helped the Department avoid some of the contracting fiascos that have plagued it to date. I am hopeful it will help the Department pick the best contractors in the future.

I encourage all of my colleagues to support this important legislation.

Mr. DAVIS of Virginia. Mr. Speaker, I yield back the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SERRANO). The question is on the motion offered by the gentleman from New York (Mr. TOWNS) that the House suspend the rules and pass the bill, H.R. 3033, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### CLOSE THE CONTRACTOR FRAUD LOOPHOLE ACT

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5712) to require disclosure by Federal contractors of certain violations relating to the award or performance of Federal contracts, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5712

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "Close the Contractor Fraud Loophole Act".

##### SEC. 2. REVISION OF THE FEDERAL ACQUISITION REGULATION.

*The Federal Acquisition Regulation shall be amended within 180 days after the date of the enactment of this Act pursuant to FAR Case 2007-006 (as published at 72 Fed Reg. 64019, November 14, 2007) or any follow-on FAR case to include provisions that require timely notification by Federal contractors of violations of Federal criminal law or overpayments in connection with the award or performance of covered contracts or subcontracts, including those performed outside the United States and those for commercial items.*

##### SEC. 3. DEFINITION.

*In this Act, the term "covered contract" means any contract in an amount greater than \$5,000,000 and more than 120 days in duration.*

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

##### GENERAL LEAVE

Mr. TOWNS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 5712, the Close the Contractor Fraud Loophole Act, is a commonsense solution to a problem that we never should have had in the first place. When the administration wrote a new rule requiring Federal contractors to report fraud and over billing on government contracts, for some reason contracts performed overseas and commercial item contracts were exempted from that requirement.

That didn't make sense to my colleague on the Subcommittee on Government Management, Congressman WELCH, because so much contract fraud and waste has been seen on contracts in Iraq and Afghanistan. He introduced this bill which will close these loopholes, and I salute him for that.

The Justice Department believes the new rule is necessary because few government contractors voluntarily disclose suspected instances of fraud. But the exemptions in the rule as written would leave out contractors like those in Iraq and Afghanistan, where we have spent billions on reconstruction contracts over the past 5 years. Over that period, the Justice Department has uncovered at least \$14 million in contract bribes in those two countries alone. Contractors must be held to the same standards no matter where they perform their work.

Since Congressman WELCH brought attention to this loophole, introduced this bill, and called for the hearing our subcommittee held last week, the administration has said it is leaning toward including overseas and commercial item contracts in the final fraud reporting rule. I am happy to hear that, but we cannot get them to guarantee that these loopholes would be closed. That is why Mr. WELCH's bill is necessary, to make sure that loopholes are closed for good. Another way to put it, this legislation will help them deal with a problem that should not have occurred.

I want to thank Congressman WELCH for bringing this problem to the attention of the subcommittee. I would also like to thank the chairman of our full committee, Congressman WAXMAN, and also thank the ranking member of the full committee, Congressman DAVIS. And I would like to thank the ranking member of the subcommittee, Congressman BILBRAY, for helping us bring this bill to the floor.

Mr. Speaker, at a time when our national security is of paramount concern, criminals who cheat the government must be identified, stopped and punished. H.R. 5712 will help make sure that taxpayer dollars are used for their intended purpose, and not to line the pockets of corrupt individuals or companies. So I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Virginia. Mr. Speaker, I reserve the balance of my time.