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Maloney Federal Contractor Oversight Bill Passes House

Sen. McCaskill Introduces Companion Legislation to Stop Fraudulent Contractors from Fleecing Taxpayers

WASHINGTON, DC – The “Contractors and Federal Spending Accountability Act” (H.R. 3033), legislation introduced by Congresswoman Carolyn B. Maloney (D-NY) to create a comprehensive, centralized database that would more efficiently monitor the federal procurement system and help protect U.S. taxpayer dollars, passed the House today. Senator Claire McCaskill (D-MO) also introduced the Senate companion of the bill today. Currently, no central database exists to help procurement officials track fraudulent contractors who do business with the federal government.

“Right now, there is nothing stopping a fraudulent contractor from bouncing from federal agency to federal agency, fleecing U.S. taxpayers the whole way,” said Rep. Maloney. **“The federal government’s watchdogs - federal suspension and debarment officials - lack the centralized information they need to crack down on fraudulent contractors. Congress can and should do more to fortify the federal procurement system and help government watchdogs show the door to contractors who are lining their pockets at the expense of hardworking taxpayers.”**

“This bill will put in place the necessary infrastructure to ensure that federal spending goes to businesses that work within the law, not outside it. It is time to empower our federal contracting officials with the information they need to protect American tax dollars. I applaud Congresswoman Maloney for initiating this very common sense policy,” said Senator McCaskill, who introduced the “Contractor and Federal Spending Accountability Act” in the Senate today and plans to seek to attach the language to the National Defense Authorization Act next week.

The United States is the largest purchaser of goods and services in the world, spending more than \$419 billion on procurement awards in Fiscal Year 2006 alone. Yet, the federal government’s watchdogs - federal suspension and debarment officials - lack the information they need to protect taxpayer dollars; there is no centralized, comprehensive, government-wide method to account for the performance of U.S. contractors. Beyond a list of currently debarred or suspended contractors, federal procurement officials are currently limited to their individual agency’s knowledge of a contractor’s track record, press reports, and personal contacts with other agencies when making decisions about awarding future federal contracts.

Right now, contractors that have repeatedly violated federal law still receive millions of dollars in contracts from the federal government. In fact, according to data from the Project on Government Oversight (POGO), the top 50 federal contractors have paid approximately \$12 billion in fines, penalties, restitution, and settlements for more than 350 instances of misconduct since 1995. Nine of the top 50 federal contractors have a total of twelve resolved criminal cases totalling \$161 million in penalties paid since 1995.

H.R. 3033 would require the Administrator of General Services to report to Congress within 180 days of the bill's enactment with recommendations for creating a centralized and comprehensive federal contracting and assistance database that procurement officials could use to evaluate potential contracts. The bill also provides the added oversight of requiring procurement officers to officially document why they awarded a federal contract to a contractor with two or more debarment-worthy offenses on its record within a three-year period.

“I successfully led the effort to implement a similar contracting oversight system in New York when I was on the City Council. That system continues to prevent bad actors and felons from being awarded lucrative city contracts. I’m pleased that Senator McCaskill and I are now well on the way to implementing a similar system at the federal level,” Rep. Maloney said. “I want to thank Chairman Waxman and Representative Towns for all of their help in bringing this important bill to the floor today.”

H.R. 3033 has been strongly and consistently supported by the Campaign for Quality Construction and the Project on Government Oversight.

Rep. Maloney has worked on the issue of improved contracting accountability since serving on the New York City Council where she led the effort to implement Vendex and ensure city contracts were handed out responsibly.

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