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FCPA ARTICLE

House Passes Bill Barring FCPA Violators from Government Grants, Contracts

The Overseas Contractor Reform Act, introduced earlier this year by Democratic Representative Peter Welch (Vermont), would forbid any U.S. government contracts or grants from going to any organization found to have been in violation of the Foreign Corrupt Practices Act.

However, there is an exception for instances where the debarment is waived by the head of a federal agency. Agencies would have 30 days to either comply with the ban or provide documentation for the waiver to Congress. Many are skeptical that this will have a significant impact, since the bill does not define whether the common deferred prosecution agreements (DPAs) or non-prosecution agreements (NPAs) qualify as being “found in violation”.

The House of Representatives passed the bill last month, but it has yet to be voted on in the Senate.