



BJA Bureau of Justice Assistance Fact Sheet

Nancy E. Gist, Director

Defense Procurement Fraud Debarment Clearinghouse

The Defense Procurement Fraud Debarment Clearinghouse, operated by the Bureau of Justice Assistance (BJA) of the Office of Justice Programs, U.S. Department of Justice, was established by Section 815, Subsection 10 of the National Defense Authorization Act for fiscal year (FY) 1993 (Public Law 102-484, United States Code, Section 2408(c)). This provision required the U.S. Attorney General to establish a single point of contact for contractors or subcontractors of the U.S. Department of Defense (DOD) to promptly confirm whether potential employees have been convicted for defense contract-related fraud or other felony. The Clearinghouse serves as this point of contact.

DOD contractors and subcontractors must verify such information because individuals who have been convicted of fraud or any other felony arising out of a contract with DOD are prohibited from contracting with DOD under the National Defense Authorization Act of 1989 (Public Law 100-456). Section 831 of the Act, now codified at Title 10, Section 2408(a) of the United States Code, prohibits these individuals from engaging in the following activities:

- Working in a management or supervisory capacity on any defense contract, or any first-tier subcontract of a defense contract.
- Serving on the board of directors of any defense contractor, or any subcontractor awarded a contract directly by a defense contractor.
- Serving as a consultant to any defense contractor, or any subcontractor awarded a contract directly by a defense contractor.
- Involvement in any other way, as determined under regulations prescribed by the Secretary of Defense,

with a defense contract or first-tier subcontract of a defense contract.

Provisions of the Law

In applying the provisions of the law, DOD interprets its terms as follows:

- Conviction of fraud or any other felony* means any conviction for fraud or felony in violation of Federal or State criminal statutes, whether the conviction was entered on a verdict or a plea (including a plea of nolo contendere), for which a sentence has been imposed.
- Arising out of a contract with DOD* means in connection with attempting to obtain, obtaining, or performing a contract or first-tier subcontract of any agency, department, or component of DOD.

The provisions of the Act apply to individuals convicted on or after September 30, 1988. Prohibitions to contract with DOD apply for a 5-year period, beginning with the date of conviction. The Secretary of Defense has the authority to waive that restriction in the interest of national security. If a defense contractor or subcontractor knowingly employs a person under prohibition or allows such a person to serve on the board of directors, the contractor or subcontractor is subject to a criminal penalty up to \$500,000.

How the Clearinghouse Obtains and Manages Information

Defense-related fraud and felony cases are tried in Federal court and prosecuted by a United States Attorney. U.S. Attorneys' Offices submit copies of sentencing

orders for all defendants convicted of defense-related fraud or felony in their districts to the Defense Procurement Fraud Debarment Clearinghouse on a quarterly basis. BJA maintains a list of persons who have been disqualified from contracting with DOD based on these sentencing orders.

Clearinghouse Services

The Clearinghouse responds to inquiries from Federal agencies, DOD contractors, and first-tier subcontractors as required for determination of employment or contract eligibility purposes. The Clearinghouse also forwards pertinent information to the U.S. General Services Administration (GSA), where the information is coded to identify the specific category of Federal exclusion, which is included in the GSA publication titled *Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs*, more commonly known as the Debarment List. The exclusion is categorized according to the specific cause (i.e., the statute violated and the treatment or exclusion).

Clearinghouse staff are accessible Monday through Friday from 8 a.m. to 5 p.m. eastern standard time at 1-202-616-3507. At other times, calls are received by an answering machine.

The Debarment List is available on written request from GSA, Office of Acquisition Policy, 18th and F Streets NW, Washington, D.C. 20405 or by telephone at

1-202-501-4873. Electronic access to the Debarment List is available free of charge 24 hours a day, 7 days a week. Users must have an asynchronous terminal compatible with the American Standard for Communication and Information Interchange (ASCII) and equipped with communications software and a modem or coupler capable of communicating at 300 to 1,200 baud. While access to the system is free, users will incur normal toll charges for the call. Electronic access is available by calling 1-816-823-1775.

For Further Information

For additional information about the Defense Procurement Fraud Debarment Clearinghouse, contact:

Defense Procurement Fraud Debarment Clearinghouse

Bureau of Justice Assistance

633 Indiana Avenue NW.
Washington, DC 20531
Tel: 1-202-616-3507

For additional information about the Debarment List, contact:

Office of Acquisition Policy

General Services Administration

441 Fourth Street NW., Room 4040
Washington, DC 20405
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