

[Shay Totten, Seven Days](#)

In a 409-0 vote Wednesday, the U.S. House passed legislation authored by Rep. Peter Welch (D-VT) aimed at cracking down on illegal activities committed by government contractors.

The vote came just one day shy of the three-year anniversary of a deadly shootout in Baghdad that left 17 civilians dead. The shootout was provoked by Blackwater, a major military contractor that later changed its name to Xe.

Welch's legislation, called the Overseas Contractor Reform Act (H.R. 5366), would ban companies and individuals convicted of bribing foreign officials from contracting with the federal government. Welch wrote the bill in response to allegations that Blackwater attempted to bribe Iraqi officials following the 2007 Baghdad shooting.

"Contractors that bribe foreign governments have absolutely no business profiting off the American taxpayer," Welch said in a statement. "Those who violate the rule of law undermine not only our nation's mission and values, but also the safety of our troops. This law puts contractors like Blackwater on notice that bribery and corruption simply will not be tolerated."

Welch first proposed cracking down on bribery committed by government contractors in November 2009, following a New York Times report alleging Blackwater authorized secret payments of \$1 million to Iraqi officials. The payment was allegedly to prevent Iraqi officials from revoking the company's license to operate in the country after Blackwater employees opened fire on Iraqi civilians in Baghdad's Nisour Square.

Federal officials have been investigating whether the company violated the Foreign Corrupt Services Act.

H.R. 5366 would debar those convicted – and sever any ongoing contracts – 30 days after all

possible appeals of a Foreign Corrupt Practices Act conviction are exhausted.

A Welch spokesman said subsidiary companies of the contractor would also be affected by the legislation. It was revealed last month that Xe has created dozens of front companies to secure government contracts.

Following an exchange between Welch and Blackwater CEO Erik Prince in a 2007 Oversight and Government Reform Committee hearing, Welch drafted the Government Contractor Accountability Act (H.R. 3928), which requires companies that receive more than 80 percent of their annual revenues from federal funds to disclose the salaries of their highest-paid officers.

That legislation was signed into law in 2008.