

Rep. Peter Welch (D-Vt.) today introduced bipartisan legislation to ban individuals and companies convicted of bribing foreign officials from contracting with the federal government. Welch introduced the legislation with Rep. Jason Chaffetz (R-Utah), Chairman of the House Oversight Committee Subcommittee on National Security, Homeland Defense and Foreign Operations.

The Overseas Contractor Reform Act would debar federal contractors convicted of violating the Foreign Corrupt Practices Act, severing any ongoing contracts 30 days after all possible appeals of a conviction are exhausted.

"With the drawdown of U.S. troops in Iraq and Afghanistan underway, the use of contractors is on the rise. Proper rules are needed to ensure American taxpayers are not subsidizing companies that flagrantly violate the rule of law. Simply put, any company that bribes foreign officials has no business doing business with the U.S. government."

Welch wrote the legislation after Xe Services – formerly known as Blackwater Worldwide –allegedly authorized \$1 million in secret payments to Iraqi officials after the company came under scrutiny for the 2007 Nisour Square shooting that left 17 Iraqi civilians dead. Legal action related to the shooting is ongoing.

Although Welch's Overseas Contractor Reform Act passed the House by a vote of 409 to 0 in 2010, the Senate failed to act on the legislation before the 111th Congress adjourned.

Welch is a House leader in holding government contractors accountable to the taxpayer. In April 2008, he introduced the Close the Contractor Fraud Loophole Act (H.R. 5712), which required companies performing government contracts outside of the United States to report instances of internal fraud or overpayment.

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.

Welch introduces bipartisan bill to tackle contractor corruption

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Both of Welch's bills were signed into law in June 2008.