Congress of the United States
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DEMOCRATIC TRUTH SQUAD INTRODUCES "CLEAN CONTRACTING ACT"

WASHINGTON, DC — Today the House Democratic Waste, Fraud, and Abuse Truth Squad introduced the "Clean Contracting Act of 2006." The bill would end the abusive contracting practices that have been rampant under the Bush Administration and promote greater transparency and accountability in federal contracting. Contracts collectively worth over $762 billion have been plagued by significant waste, fraud, abuse, and mismanagement under the Bush Administration.

"The way the Bush Administration has squandered taxpayer dollars is shameful," said Rep. Henry A. Waxman. "Indifference, incompetence, and corruption have wasted billions of dollars. This bill represents a new direction that will protect taxpayers and restore accountability."

"The waste, fraud and abuse we have seen in federal contracting under this Administration has been outrageous," said Rep. Dennis A. Cardoza. "This bill will put a stop to the incompetent and corrupt contracting practices that have resulted in billions of tax dollars being wasted and fleeced."

"Besides assuring prompt rescue of people caught in a disaster, perhaps the most important lesson from Hurricane Katrina is reform of contracting practices now," said Congresswoman Eleanor Holmes Norton. "We cannot stop hurricanes, but our bill shows we can stop fraud and waste from robbing the victims of billions of dollars they were supposed to receive and should have had by now."

The Clean Contracting Act will:

- **Promote competition in the award of contracts.** The bill strictly limits noncompetitive contracts, ensures bidding on task orders, and puts time limits on costly no-bid contracts signed during emergencies.
- **Limit the use of abuse-prone contracts.** The bill bans monopoly contracts, prohibits "layer cake" contracts that inflate costs through tiers of subcontractors, and minimizes the use of cost-plus contracts.
- **Prevent the abuse of contract flexibilities.** The bill closes loopholes in commercial item authority and restricts the award of no-bid contracts to Alaska Native Corporations.
- **Increase contract oversight.** The bill mandates that at least 1% of each agency's procurement budget be used for contract oversight, directs that contract overcharges be

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promptly disclosed to Congress, and requires that Congress hold hearings to investigate credible evidence of waste, fraud, abuse, or mismanagement.

- **Prevent unjustified award fees.** The bill allows agencies to pay award fees to contractors only for good performance.
- **Deter corruption in contracting.** The bill closes the revolving door between government and contracting firms, allows the government to contract only with companies in good standing, and increases whistleblower protections.

A detailed summary of the legislation and the legislative text is available online at www.democrats.reform.house.gov.