

GAO Highlights

Highlights of [GAO-13-707T](#), a testimony before the Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

Spending on contracted goods and services was more than \$517 billion in 2012. To protect the government's interests, federal agencies are required to award contracts only to responsible sources. One way to protect the government's interest is through the use of suspensions and debarments, which are actions taken to exclude firms or individuals from receiving contracts or assistance based on various types of misconduct. A suspension is a temporary disqualification from government contracting, while a debarment is an exclusion for a specified period.

This testimony is based on reports GAO issued in August 2011 and September 2012 and addresses (1) characteristics of suspension and debarment programs at selected agencies and (2) governmentwide efforts to oversee and coordinate the use of suspensions and debarments. In 2011, GAO assessed suspension and debarment programs at 10 agencies from among those having more than \$1 billion in contract obligations in fiscal year 2009. In 2012, GAO reviewed the extent to which DOD had processes for identifying and referring cases of contractor misconduct for possible suspension and debarment.

GAO is not making any new recommendations, but made several recommendations in prior reports on this topic. Agencies agreed with those recommendations and several have taken steps to implement them.

View [GAO-13-707T](#). For more information, contact John Neumann at (202) 512-4841 or neumannj@gao.gov.

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SUSPENSION AND DEBARMENT

Characteristics of Active Agency Programs and Governmentwide Oversight Efforts

What GAO Found

While each agency's suspension and debarment program that GAO reviewed in 2011 was unique, agencies with the most suspension and debarment activity shared certain characteristics. These included a dedicated suspension and debarment program and staff, detailed policies and procedures, and practices that encouraged an active referral process.

- Dedicated suspension and debarment program and staff. Each of the four agencies with the most suspension and debarment activity had a dedicated suspension and debarment program and staff, which according to agency officials, cannot be accomplished without the specific focus and commitment of an agency's senior officials.
- Detailed policies and procedures. The four most active agencies also developed agency-specific guidance that goes well beyond the suspension and debarment guidance in the Federal Acquisition Regulation (FAR). For example, these agencies had guidance that included details on conducting investigatory research, coordinating with other organizations, and evaluating contractor misconduct.
- Practices that encourage an active referral process. In addition, each of the four agencies engaged in practices that encourage an active referral process. For example, the General Services Administration (GSA) Office of Inspector General looked for and referred cases based on investigations and legal proceedings.

GAO also consistently found these characteristics among the four Department of Defense (DOD) components that it examined in 2012. In contrast, agencies that GAO reviewed in 2011 that did not have these characteristics generally had few or no suspensions or debarments of federal contractors. GAO recommended that these agencies take steps to improve their suspension and debarment programs ensuring that they incorporate the characteristics identified as common among agencies with more active programs. Several agencies have taken actions to implement these recommendations.

GAO also reported in 2011 that governmentwide efforts to oversee and coordinate the use of suspensions and debarments faced challenges. Specifically, the Interagency Suspension and Debarment Committee (ISDC) relied on voluntary participation and not all agencies coordinated through the committee. To better coordinate and oversee suspensions and debarments, GAO recommended that the Office of Management and Budget's (OMB) Office of Federal Procurement Policy (OFPP) issue governmentwide guidance to ensure that agencies are aware of the elements of an active suspension and debarment program and the importance of cooperating with ISDC. In response, OMB directed the agencies to appoint a senior official responsible for the agency's suspension and debarment program and directed that this official ensure that the agency participates regularly on the ISDC. In its September 2012 annual report, ISDC noted improvements by most agencies to promote more active and effective suspension and debarment programs.