

107TH CONGRESS
2^D SESSION

H. R. 5635

To prohibit the Federal Government from entering into contracts with companies that do not include certifications for certain financial reports required under the Securities Exchange Act of 1934.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2002

Mr. STRICKLAND (for himself, Mr. DEUTSCH, and Ms. SLAUGHTER) introduced the following bill; which was referred to the Committee on Government Reform, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To prohibit the Federal Government from entering into contracts with companies that do not include certifications for certain financial reports required under the Securities Exchange Act of 1934.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Responsibility in Fed-
5 eral Contracts Act”.

1 **SEC. 2. PROHIBITION ON CONTRACTING WITH COMPANIES**
2 **WITHOUT FINANCIAL REPORT CERTIFI-**
3 **CATIONS.**

4 (a) PROHIBITION ON CONTRACTING WITH COMPA-
5 NIES FAILING TO CERTIFY THEIR FINANCIAL RE-
6 PORTS.—The Federal Government may not enter into, or
7 approve any subcontract under, a contract with any com-
8 pany filing periodic reports under section 13(a) or 15(d)
9 of the Securities Exchange Act of 1934 (15 U.S.C. 78m,
10 78o(d)) if, before the date on which the contract is ex-
11 pected to be awarded, the certification required under sec-
12 tion 302(a) of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
13 7241) has not been made for the most recent periodic re-
14 port due before such date.

15 (b) PERIOD OF PROHIBITION.—A prohibition under
16 subsection (a) shall remain in effect with respect to a com-
17 pany for the one-year period beginning on the date that
18 the most recent periodic report was due.

19 (c) WAIVER.—The President may waive the prohibi-
20 tion in subsection (a) if he determines that such waiver
21 is in the national security interest of the United States.

22 (d) LIST OF COMPANIES FAILING TO CERTIFY.—The
23 Securities and Exchange Commission shall make available
24 to the public on a quarterly basis a list of companies that
25 have failed to make the certification required under sec-

1 tion 302(a) of the Sarbanes-Oxley Act of 2002 (15 U.S.C.
2 7241).

3 (e) EFFECTIVE DATE.—This section shall apply to
4 contracts entered into after the date of the enactment of
5 this Act.

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