

Info for all:

The Emergency Military Supplemental Appropriations Act (H.R. 2642) was signed by the President on June 30, 2008. In addition to providing \$161.8 billion to the Department of Defense for fiscal years 2008 and 2009, a new GI Bill and significant domestic funding, the bill also included two acquisition related provision. Both of these provisions were earlier passed on the House Floor as stand alone bills, and both were included in the House passed version of the National Defense Authorization Act for fiscal year 2009. NDIA, along with the Acquisition Reform Working Group (ARWG) and the Council on Defense and Space Industries Association (CODSIA) have strongly opposed these provisions. However, including them in the Emergency Supplemental Bill has now enacted them into law. Summary and bill language as follows:

Mandatory Fraud Reporting

Section 6102 requires that the Federal Acquisition Regulations be amended, within 180 days of the bill's enactment, to require timely notification by Federal contractors of violations of federal criminal law or overpayments on all contracts valued above \$5 million and more than 120 days in duration – including contracts for commercial items and those issued to U.S. companies overseas.

Sec. 6102. The Federal Acquisition Regulation shall be amended within 180 days after the date of the enactment of this Act pursuant to FAR Case 2007-006 (as published at 72 Fed Reg. 64019, November 14, 2007) or any follow-on FAR case to include provisions that require timely notification by Federal contractors of violations of Federal criminal law or overpayments in connection with the award or performance of covered contracts or subcontracts, including those performed outside the United States and those for commercial items

Disclosure of CEO Salaries

Section 6202 amends P.L. 109-282, the Federal Funding Accountability and Transparency Act, to require all companies – privately held, publicly traded, special purpose, joint venture, and limited liability companies – who do most of their business (80% or \$25 million) with the Federal Government, to publicly report the salaries of the five most highly compensated officers.

Sec. 6202. (a) Disclosure Requirements- Section 2(b)(1) of the Federal Funding Accountability and Transparency Act (Public Law 109-282; 31 U.S.C. 6101 note) is amended--

- (1) by striking `and' at the end of subparagraph (E);
- (2) by redesignating subparagraph (F) as subparagraph (G); and
- (3) by inserting after subparagraph (E) the following new subparagraph:
 - `(F) the names and total compensation of the five most highly compensated officers of the entity if--
 - `(i) the entity in the preceding fiscal year received--
 - `(I) 80 percent or more of its annual gross revenues in Federal awards; and

`(II) \$25,000,000 or more in annual gross revenues from Federal awards; and

`(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.'.

(b) Regulations Required- The Director of the Office of Management and Budget shall promulgate regulations to implement the amendment made by this chapter. Such regulations shall include a definition of 'total compensation' that is consistent with regulations of the Securities and Exchange Commission at section 402 of part 229 of title 17 of the Code of Federal Regulations (or any subsequent regulation)