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Obama administration begins publishing names of federal subcontractors on Web

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The U.S. government is giving the public new details about how it is spending taxpayer money on government business.

Starting Wednesday, the Obama administration began publicizing the names of subcontractors - the companies that get the majority of federal contracts - along with the dollar amounts they receive.

For years, the government reported only the companies that won major, or prime, government contracts - even if those companies then hired subcontractors to do most of the job. Now taxpayers can follow more accurately where their dollars are going, tracing public money to the specific companies and communities that share in multimillion- and billion-dollar federal work.

The previous dearth of information about government subcontracts led to incomplete and sometimes misleading conclusions about Uncle Sam's impact on communities.

For example, an agency may have boasted of awarding a \$100 million prime contract for debris removal after Hurricane Katrina to a homegrown Louisiana company. But that company may have lacked the equipment to tackle the work, and then hired two hauling companies based in Virginia and Texas to do most of the job.

The new subcontractor details are available on the Office of Management and Budget's Web site, USASpending.gov. Recipients of all federal contracts and grants larger than \$25,000 will be required to report the names of companies they hire.

The subcontractors' names are being made public as required by the Federal Funding Accountability and Transparency Act, which became law in 2006 under President [George W. Bush](#). The information's release is two years behind schedule. A smaller portion of subcontractor information - for contracts larger than \$20 million - was made public in October.

Both the Bush and Obama administrations faulted technical obstacles for preventing accurate reporting and Web site publication of subcontractor information. After the Obama administration spent tens of millions of dollars in 2009 to create a public Web site, FederalReporting.gov, to track money spent on stimulus projects - including subcontractor details - it cleared the way for the same information to be published on standard government contracts.

Moira Mack, an OMB spokeswoman, said resources also factored into the delay. Contracting spending dramatically increased under the Bush administration but the number of contracting employees remained stagnant, Mack said.

Because of the law, the public will now learn if a huge contract won by a fledgling minority- or female-owned company helped that firm or instead flowed to a well-heeled contracting firm founded and run by a white man. The records also would reveal whether defense work that was meant to help shore up an electronics company in recession-plagued rural Pennsylvania was instead largely being done by a powerful defense giant in Arlington County.

Craig Jennings, director of federal fiscal policy at OMB Watch, an advocate for government transparency, said the public may learn good and bad news about government spending with the new initiative.

"You really have to follow the chain [of a contract] to the end, or you just don't know where the dollars are going," Jennings said. "Before this, sometimes a city is listed as the primary recipient of a grant or contract. We wouldn't know prior to this that the brother-in-law of the mayor is receiving those subcontracts."

In an April letter setting reporting deadlines for senior federal managers, [Jeffrey Zients](#), then the acting OMB director, stressed the importance of the transparency effort. "Full and easy access to information on government spending promotes accountability by allowing . . . both the public and public officials to gauge the effectiveness of expenditures," he wrote. "Transparency also gives the public confidence that we are properly managing its funds."

One day after being sworn into office, [President Obama](#) pledged that his administration would be the most open in history - a vow made in the wake of steady complaints that the Bush administration was too secretive. Although the current administration has made significant progress in releasing public information, it has faced its share of criticism that - like the previous White House - it has been loath to release public information that may cast its team in an unflattering light or hamper its agenda.

Jennings said taxpayers could end up feeling more comfortable about government contracts when they know the nitty-gritty details. Instead of reading on a government Web site about a vague \$14 million transportation grant given to a state government, taxpayers now can see how the state split those funds among 20 different road and bridge projects in different locations, and which subcontractors did the jobs.

"All we hear about is stupid, wasteful government spending," he said. "But this will likely show us how the money is actually coming to your city, even your neighborhood."

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