

## Why GAO Did This Study

The federal government spent more than \$535 billion on contracted goods and services in fiscal year 2010. One tool for ensuring that agencies are only awarding contracts to responsible sources is the use of suspensions and debarments—actions taken by agencies to exclude firms or individuals from receiving federal contracts or assistance based on various types of misconduct. This report analyzed (1) the nature and extent of governmentwide exclusions reported in the Excluded Parties List System (EPLS) maintained by the General Services Administration; (2) the relationship, if any, between practices at various agencies and the level of suspensions and debarments under federal acquisition regulations; and (3) governmentwide efforts to oversee and coordinate the use of suspensions and debarments across federal agencies. GAO reviewed EPLS data and suspension and debarment programs at 10 federal agencies, including those with relatively more suspensions and debarments and those with few or none to identify differences between the two groups.

## What GAO Recommends

GAO recommends that the six agencies it examined that did not have the characteristics associated with active suspension and debarment programs incorporate those characteristics, and that the Office of Management and Budget (OMB) improve its governmentwide efforts and enhance governmentwide oversight. Five of the six agencies and OMB generally concurred with the recommendations. The Department of Justice believes its existing guidelines are sufficient, but GAO does not agree.

View [GAO-11-739](#) or key components. For more information, contact William T. Woods at (202) 512-4841 or [woodsw@gao.gov](mailto:woodsw@gao.gov).

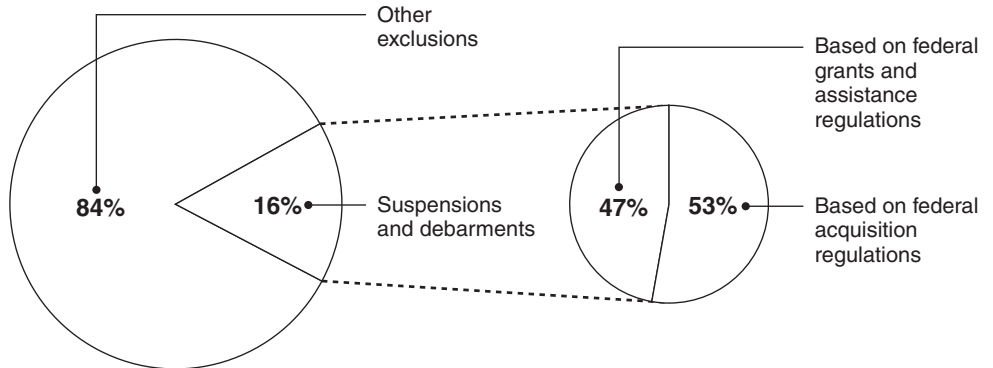
# SUSPENSION AND DEBARMENT

## Some Agency Programs Need Greater Attention, and Governmentwide Oversight Could Be Improved

### What GAO Found

Suspensions and debarments made up about 16 percent of exclusions in EPLS for fiscal years 2006 through 2010. These are discretionary exclusions taken by agencies based on causes specified in regulations for acquisitions or grants and assistance, including fraud, bribery, or a history of failure to perform on government contracts. The remaining 84 percent were exclusions based on violations of statutes or other regulations, including health care fraud or illegal exports. In these cases, agencies are generally required to exclude the party from participating in specified government transactions or activities. More than half of the governmentwide suspensions and debarments were based on acquisition regulations. Several agencies did not report any such cases.

**Basis of EPLS Cases, Fiscal Years 2006 through 2010**



Source: GAO analysis of EPLS data.

The four agencies GAO reviewed with the most suspensions and debarments based on acquisition regulations shared certain characteristics that were not present at agencies with relatively few or no such cases. These agencies had staff dedicated to the suspension and debarment program, detailed implementing guidance, and practices that encourage an active referral process. The six agencies without such characteristics had virtually no suspensions or debarments, regardless of the dollar level of their contract obligations. For example, the Department of Health and Human Services, the civilian agency among those GAO reviewed with the highest amount of contract obligations, had no suspensions and debarments based on acquisition regulations. U.S. Immigration and Customs Enforcement had considerably less in contract obligations, but was one of the top four agencies of those GAO reviewed.

The interagency committee responsible for governmentwide oversight and coordination of suspensions and debarments faces challenges as it relies on voluntary agency participation and only the limited resources of member agencies to fulfill its mission. For example, the committee took almost 2 years to submit a required annual report to Congress on agencies' suspension and debarment activities because agencies had been slow in providing needed information and it had limited resources to devote to the report.