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May 2014

# FEDERAL CONTRACTS AND GRANTS

## Agencies Have Taken Steps to Improve Suspension and Debarment Programs

# GAO Highlights

Highlights of [GAO-14-513](#), a report to the Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

To protect the government's interests, agencies can use suspension and debarment to exclude individuals, contractors, and grantees from receiving future contracts, grants, and other federal assistance due to various types of misconduct. In 2011, GAO reviewed ten agencies and found that agencies issuing the most procurement related suspensions and debarments shared common characteristics: dedicated staff, detailed policies and procedures, and an active referral process. GAO recommended that six agencies—the Departments of Commerce, Health and Human Services, Justice, State, the Treasury, and the Federal Emergency Management Agency—incorporate those characteristics, and that OMB issue guidance to improve oversight and government-wide suspension and debarment efforts.

GAO was asked to review actions taken to implement the 2011 recommendations. This report examines (1) actions taken by the six agencies to incorporate characteristics of active suspension and debarment programs; (2) changes in the level of suspension and debarment activity; and (3) actions taken to improve oversight and government-wide efforts. To do so, GAO reviewed suspension and debarment programs, interviewed agency officials, verified the accuracy of agency data, and reviewed government-wide efforts.

GAO is not making any new recommendations in this report. OMB commented that it is pleased with the progress that agencies have made and with the work of the ISDC. The other agencies did not provide substantive comments.

View [GAO-14-513](#). For more information, contact William T. Woods at (202) 512-4841 or [woodsw@ga.gov](mailto:woodsw@ga.gov).

May 2014

## FEDERAL CONTRACTS AND GRANTS

### Agencies Have Taken Steps to Improve Suspension and Debarment Programs

## What GAO Found

The six agencies GAO reviewed all took action to incorporate characteristics associated with active suspension and debarment programs. Since GAO made recommendations to do so in 2011, the agencies have addressed staffing issues through actions such as defining roles and responsibilities, adding positions, and consolidating suspension and debarment functions. The agencies also have issued formal policies and promulgated detailed guidance. Finally, the agencies have engaged in practices that encourage an active referral process, such as establishing positions to ensure cases are referred for possible action, and developing case management tools.

The number of suspension and debarment actions government-wide has more than doubled from 1,836 in fiscal year 2009 to 4,812 in fiscal year 2013. The number of suspension and debarment actions for the six agencies increased from 19 in fiscal year 2009 to 271 in fiscal year 2013 (see table below). The six agencies generally experienced a notable increase starting in fiscal year 2011 when the agencies began to take action to incorporate the characteristics associated with active suspension and debarment programs.

**Suspension and Debarment Actions Reported for Fiscal Years 2009-2013**

Agency	Total number of suspension and debarment actions				
	2009	2010	2011	2012	2013
Department of Commerce	0	0	9	34	8
Department of Health and Human Services	3	6	10	1	47
Department of Justice	8	5	50	37	64
Department of State	8	7	17	50	96
Department of the Treasury	0	1	4	8	4
Federal Emergency Management Agency	0	0	14	8	52
<b>Total</b>	<b>19</b>	<b>19</b>	<b>104</b>	<b>138</b>	<b>271</b>

Source: GAO presentation of agency data reported to the Interagency Suspension and Debarment Committee.

Note: Total number of suspension and debarment actions includes procurement and nonprocurement-related suspensions, proposed debarments, and debarments.

The Office of Management and Budget (OMB) and the Interagency Suspension and Debarment Committee (ISDC) have taken action to strengthen government-wide suspension and debarment efforts. In November 2011, OMB directed agencies to address weaknesses and reinforce best practices in their suspension and debarment programs. The ISDC reported to Congress in September 2012 that, per OMB direction, the 24 standing member agencies of the ISDC had

- an accountable official in place responsible for suspension and debarment;
- taken steps to address resources, policies, or both; and
- procedures to forward matters to the suspension and debarment official for possible action.

The ISDC has promoted best practices, coordinated mentoring and training, and helped coordinate lead agency responsibility when multiple agencies have an interest in pursuing suspension and debarment of the same entity. Reported increases in the number of suspension or debarment actions suggest that its efforts have been effective. ISDC officials emphasized that increased activity has been coupled with an increased capability to use suspension and debarment appropriately while adhering to the principles of fairness and due process.

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## Abbreviations

DHS	Department of Homeland Security
FAR	Federal Acquisition Regulation
FEMA	Federal Emergency Management Agency
GSA	General Services Administration
HHS	Department of Health and Human Services
ISDC	Interagency Suspension and Debarment Committee
NCR	Nonprocurement Common Rule
OMB	Office of Management and Budget
VA	Department of Veterans Affairs

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May 21, 2014

The Honorable Darrell Issa  
Chairman  
The Honorable Elijah E. Cummings  
Ranking Member  
Committee on Oversight and Government Reform  
House of Representatives

Suspensions and debarments are tools that agencies may use to protect the government's interests by excluding individuals, contractors, and grantees from receiving federal contracts, grants, and other forms of financial assistance based on various types of misconduct. In 2011, we reviewed suspension and debarment efforts at selected agencies and found that the agencies with the most procurement-related suspensions and debarments shared common characteristics, including a suspension and debarment program with dedicated staff, detailed policies and procedures, and practices that encourage an active referral process.<sup>1</sup> We made recommendations to the Departments of Commerce, Health and Human Services (HHS), Justice, State, the Treasury, and the Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA)—six agencies with billions of dollars in annual contracting obligations that lacked these characteristics and had virtually no procurement-related suspensions and debarments for fiscal year 2009. We also recommended that the Office of Management and Budget (OMB) issue guidance to improve suspension and debarment programs at all agencies and enhance government-wide oversight.

You asked us to review the status of the six agencies' suspension and debarment programs and government-wide efforts in this area. For this report, we analyzed (1) actions taken by the six agencies to incorporate characteristics associated with active suspension and debarment programs; (2) changes in the six agencies' level of suspension and debarment activity; and (3) actions taken to improve oversight and government-wide suspension and debarment efforts.

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<sup>1</sup>GAO, *Suspension and Debarment: Some Agency Programs Need Greater Attention, and Governmentwide Oversight Could Be Improved*, [GAO-11-739](#) (Washington, D.C.: Aug. 31, 2011).

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To identify the actions the six agencies have taken to incorporate the characteristics associated with active suspension and debarment programs, we reviewed the agencies' suspension and debarment programs including staffing levels, training, guidance, and the case referral process. We reviewed relevant agency documents and interviewed suspension and debarment and inspector general officials. We also used information we obtained from the agencies since 2011 through our annual recommendation follow-up efforts.

To provide information on changes in the level of suspension and debarment activity at the six agencies, we reviewed data on the number of suspensions, proposed debarments, and debarments reported in the Interagency Suspension and Debarment Committee's (ISDC) annual reports to Congress for fiscal years 2009 through 2013.<sup>2</sup> For the purposes of this report, we reviewed both procurement and nonprocurement-related actions.<sup>3</sup> To assess data reliability, we asked the agencies to verify the data reported to ISDC and identify steps taken to ensure data consistency and accuracy. We found the data sufficiently reliable for the purposes of summarizing changes over time in the agencies' level of suspension and debarment activity. We were not able to use data from the official government system used to track suspension and debarment data as we did in our 2011 report because the General Services Administration (GSA) could not provide the data in time to meet the timeframes of this review due to system upgrades.<sup>4</sup> Further, numerous data fields were changed in the new system and extensive manipulation would be required to ensure consistency over time. As a result, we were not able to

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<sup>2</sup>The ISDC was established as the Interagency Committee on Debarment and Suspension by Executive Order 12549 on February 18, 1986. Section 873(a)(7) of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 requires the ISDC to submit to Congress an annual report including a summary of each agency's activities and accomplishments in the government-wide suspension and debarment system. Pub. L. No. 110-417 (2008).

<sup>3</sup>The ISDC reports address discretionary suspension and debarment actions taken under the government-wide rules for the suspension and debarment of contractors under FAR Subpart 9.4—*Debarment, Suspension, and Ineligibility* and of grantees and recipients of other assistance under 2 C.F.R. Part 180. The reports do not track declarations of ineligibility outside of the scope of these regulations.

<sup>4</sup>The System for Award Management is the official U.S. government electronic database containing the list of all parties debarred, suspended, proposed for debarment, declared ineligible, or excluded or disqualified by agencies. The system is maintained by the GSA and is available for agency and public access at [www.sam.gov](http://www.sam.gov). Prior to July 2012, these exclusions were reported in the Excluded Parties List System which was also maintained by GSA.

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aggregate related actions such as those involving affiliates and related parties to identify the number of cases as we did in our 2011 report. As such, the number of actions we report is not comparable to the number of cases we reported in 2011.

To identify actions taken to improve oversight and government-wide suspension and debarment efforts, we reviewed guidance issued by OMB in 2011, and reports issued by the ISDC for fiscal years 2011 through 2013. We interviewed officials from OMB's Office of Federal Procurement Policy, the ISDC, and the six agencies to obtain their views on federal agencies' suspension and debarment activity, as well as ongoing management steps taken by the ISDC to support government-wide efforts and the results of those efforts. To gain insight into how government-wide guidance and actions may have affected suspension and debarment efforts at an agency not included in GAO's 2011 review, we selected the Department of Veterans Affairs (VA), an agency with high contract dollar obligations and relatively few suspensions and debarments for fiscal years 2006 through 2010. For VA, we reviewed their suspension and debarment policy, guidance, procedures, and data. We also interviewed VA officials to determine actions taken to improve VA's suspension and debarment program.

We conducted this performance audit from March 2014 to May 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The Federal Acquisition Regulation (FAR) establishes the policies and procedures governing suspension and debarment actions related to federal contracts.<sup>5</sup> The Nonprocurement Common Rule (NCR) establishes the policies and procedures governing suspension and debarment for discretionary nonprocurement awards (i.e., grants,

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<sup>5</sup>FAR Subpart 9.4.

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cooperative agreements, scholarships, or other assistance).<sup>6</sup> The FAR and the NCR specify numerous causes for suspensions and debarments, including fraud, false statements, theft, bribery, tax evasion, and any other offense indicating a lack of business integrity.<sup>7</sup> A suspension is a temporary exclusion pending the completion of an investigation or legal proceeding which generally may not last longer than 18 months, while a debarment is an exclusion for a reasonable, specified period depending on the seriousness of the cause, but generally should not exceed 3 years. A suspension or debarment under either the FAR or NCR has government-wide effect for all purposes, so that a party precluded from participating in federal contracts is also precluded from receiving grants, loans, and other assistance, and vice versa.<sup>8</sup>

OMB has the authority to issue guidelines for nonprocurement suspensions and debarments and the Office of Federal Procurement Policy within OMB provides overall direction for government-wide procurement policies, including those on suspensions and debarments under the FAR.<sup>9</sup> ISDC, established in 1986, monitors the government-wide system of suspension and debarment. The ISDC consists of representatives from 24 federal agencies, as well as 18 independent agencies and government corporations. The Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 augmented and clarified certain ISDC functions to include providing assistance to help agencies achieve operational efficiencies in their suspension and debarment programs. The ISDC was also made responsible for coordinating lead-agency responsibility when multiple agencies have a potential interest in pursuing suspension and debarment of the same entity.<sup>10</sup>

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<sup>6</sup>The NCR was adopted under the rulemaking authority of the respective agencies after OMB issued guidelines, as provided for in Executive Order No. 12549 (1986), found at 2 C.F.R. Part 180.

<sup>7</sup>FAR §§ 9.406-2 and 9.407-2 and 2 C.F.R. §§ 180.700 and 180.800.

<sup>8</sup>Violations of certain statutes and regulations other than the FAR and NCR also exclude a party from specified government transactions or activities. These exclusions can relate to such matters as health care fraud, export control violations, or drug trafficking, which may render a party ineligible for specified government transactions or activities. These violations may be unrelated to federal contracts, grants, or assistance, but may include sanctions that preclude the party from some or all procurement and nonprocurement transactions as set out in the statute or regulation.

<sup>9</sup>Exec. Order No. 12,549, 3 C.F.R. 189 (1987); 41 U.S.C. § 1101(b).

<sup>10</sup>Pub. L. No. 110-417, § 873 (2008).



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In 2011, we made recommendations to improve agency and government-wide suspension and debarment efforts. We reviewed 10 agencies and found that the four agencies with the most procurement-related suspension and debarment cases shared common characteristics: a suspension and debarment program with dedicated staff, detailed policies and procedures, and practices that encourage an active referral process.<sup>11</sup> Agencies are required to establish procedures for referring appropriate matters to their suspension and debarment official for consideration. The six agencies with few or no procurement-related suspensions or debarments for the period we reviewed—Commerce, HHS, Justice, State, Treasury, and DHS’s FEMA—did not have these characteristics regardless of each agency’s volume of contracting activity. To improve their suspension and debarment programs, we recommended these agencies take action to incorporate the characteristics associated with active programs.

We also reported that government-wide efforts to oversee and coordinate suspensions and debarments faced a number of challenges. For example, we reported that the ISDC relies on agencies’ participation and resources to fulfill its missions. To improve suspension and debarment programs at all agencies and enhance government-wide oversight, we recommended that OMB issue government-wide guidance that (1) describes the elements of an active suspension and debarment program, and (2) emphasizes the importance of coordinating with the ISDC.

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## Agencies Took Action to Incorporate Characteristics Associated with Active Suspension and Debarment Programs

We found that the Departments of Commerce, HHS, Justice, State, the Treasury, and DHS’s FEMA all took action since we made recommendations in 2011 to incorporate characteristics associated with active suspension and debarment programs.<sup>12</sup> Since 2011, all six agencies have addressed staffing issues through actions such as defining roles and responsibilities, adding positions, and consolidating the suspension and debarment function into one office. The six agencies also have taken actions such as issuing formal policy and promulgating detailed guidance. Finally, the six agencies have engaged in practices that encourage an active referral process, including establishing positions to ensure cases are referred, developing case management tools that

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<sup>11</sup>GAO-11-739.

<sup>12</sup>GAO-11-739.

allow for referral tracking and case reporting, and establishing training programs. Table 1 summarizes the actions that agencies have taken since 2011.

**Table 1: Summary of Agency Actions to Implement Characteristics Associated With Active Suspension and Debarment Programs**

Agency	Agency actions		
	Dedicated staff	Detailed policies and procedures	Active case referral process
Department of Commerce (Commerce)	<ul style="list-style-type: none"> <li>In 2011, created a suspension and debarment coordinator function.</li> <li>In 2014, requested one full-time position to supplement four part-time staff.</li> <li>Office of the General Counsel and the Counsel to the Inspector General identified attorneys responsible for suspensions and debarments.</li> </ul>	<ul style="list-style-type: none"> <li>Finalizing detailed guidance planned to be issued in May 2014.</li> </ul>	<ul style="list-style-type: none"> <li>In 2011, initiated a standing monthly meeting including the Suspension and Debarment Official and staff, the Office of Inspector General, the Office of General Counsel, and the head of grants.</li> <li>Established a case tracking system.</li> <li>Training on suspension and debarment has been attended by contracting, Inspector General, and General Counsel staff.</li> </ul>
Department of Health and Human Services (HHS)	<ul style="list-style-type: none"> <li>In 2012, created the Office of Recipient Integrity Coordination that reports to the Suspension and Debarment Official and dedicated four full-time staff positions to this office.</li> <li>The Office of Inspector General assigned staff to facilitate the referrals of individuals and entities for possible suspensions or debarments.</li> </ul>	<ul style="list-style-type: none"> <li>In May 2012, the Office of Grants and Acquisition Policy and Accountability issued suspension and debarment program guidance.</li> <li>In June 2012, the Office of Inspector General issued internal guidance on how to make referrals to the Suspension and Debarment Official.</li> <li>A final review is being conducted on a suspension and debarment desk reference that is intended to assist operating divisions and other referring entities in making referrals to the Suspension and Debarment Official.</li> </ul>	<ul style="list-style-type: none"> <li>Established monthly meetings between the Office of Recipient Integrity Coordination's suspension and debarment staff, the Office of Research Integrity, and inspector general staff to discuss cases, policies, and procedures.</li> <li>In fiscal years 2012 and 2013, the Office of Inspector General took steps to facilitate an increase in referrals, including training auditors and investigators.</li> <li>Suspension and debarment staff are working with inspector general staff to leverage the Office of Inspector General training efforts to provide training for department staff.</li> <li>Developed a spreadsheet to track cases and met with other agencies to discuss their tracking systems.</li> </ul>

Department of Justice (Justice)	<ul style="list-style-type: none"> <li>Identified, assigned, and aligned all suspension and debarment activities under one division.</li> <li>Since fiscal year 2011, five to six staff members have been assigned on a part-time basis to handle suspension and debarment actions. Additional staff members also are available on an as-needed basis.</li> </ul>	<ul style="list-style-type: none"> <li>Issued standard operating procedures on suspension and debarment.</li> <li>In January 2012, the Attorney General issued a memorandum emphasizing the importance of the coordination of parallel criminal, civil, regulatory, and administrative proceedings.</li> <li>In February 2012, the Senior Procurement Executive in a memorandum to its senior procurement officials emphasized suspension and debarment as an administrative tool and summarized the law and the department's procedures that govern suspensions and debarments.</li> </ul>	<ul style="list-style-type: none"> <li>Both the suspension and debarment office and the Inspector General have separate tracking systems to manage case referrals.</li> </ul>
Department of State (State)	<ul style="list-style-type: none"> <li>In fiscal year 2013, established a full-time position working with five other staff having part-time responsibility for the suspension and debarment program.</li> <li>In fiscal year 2013, the Office of Inspector General established dedicated positions that serve as liaisons between the Inspector General and the suspension and debarment staff.</li> </ul>	<ul style="list-style-type: none"> <li>In October 2011, issued the Suspension and Debarment Program Handbook and updated it in June 2013.</li> </ul>	<ul style="list-style-type: none"> <li>2011 Suspension and Debarment Program Handbook describes the department's process for referring cases.</li> <li>Established a liaison position between the suspension and debarment office and the Inspector General which is an active participant in the suspension and debarment program.</li> <li>From fiscal year 2011 through 2013, in total over 8,500 individuals have had training addressing suspension and debarment.</li> </ul>
Department of the Treasury (Treasury)	<ul style="list-style-type: none"> <li>In 2012, established a suspension and debarment advisor position on a part-time basis.</li> <li>In 2013, established a suspension and debarment council consisting of members from procurement offices, the Office of the General Counsel, and the three offices of the Inspector General.</li> </ul>	<ul style="list-style-type: none"> <li>In August 2012, issued a policy and procedures directive on suspensions and debarments.</li> </ul>	<ul style="list-style-type: none"> <li>In fiscal year 2013, took steps to facilitate an increase in the number of referrals. These steps included establishment of intake forms on Treasury.gov's "Waste Fraud and Abuse" website for reporting fraud or misconduct related to government contracting or grants; and increased training via webinars and print media to reach out to the contracting officer representatives across Treasury.</li> </ul>

Federal Emergency Management Agency (FEMA)	<ul style="list-style-type: none"> <li>In May 2012, the Department of Homeland Security (DHS) established a department-wide Suspension and Debarment Official. Previously, the Head of the Contracting Activity for each component, including FEMA, was designated the Suspension and Debarment Official.</li> <li>FEMA identified a primary point person for suspension and debarment. As of March 2014, FEMA had four staff with ongoing suspension and debarment responsibilities on a part-time basis.</li> </ul>	<ul style="list-style-type: none"> <li>In May 2012, DHS issued a department-wide directive and instruction.</li> </ul>	<ul style="list-style-type: none"> <li>Most DHS components track referrals on separate spreadsheets. DHS is evaluating alternative case management systems.</li> <li>An Inspector General official tracks referrals and forwards them to the DHS Suspension and Debarment Official for further action.</li> </ul>
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Source: Agency documentation and interviews.

## Suspension and Debarment Activity at Agencies Has Increased

We found that all six agencies reported an increase in the number of suspension and debarment actions from fiscal year 2009 to 2013 as shown in table 2. The agencies generally experienced a notable increase starting in fiscal year 2011 when they began to take action to incorporate the characteristics associated with active suspension and debarment programs.

**Table 2: Suspension and Debarment Actions Reported for Fiscal Years 2009-2013**

Agency	Total number of suspension and debarment actions				
	2009	2010	2011	2012	2013
Department of Commerce	0	0	9	34	8
Department of Health and Human Services	3	6	10	1	47
Department of Justice	8	5	50	37	64
Department of State	8	7	17	50	96
Department of the Treasury	0	1	4	8	4
Federal Emergency Management Agency	0	0	14	8	52
<b>Total</b>	<b>19</b>	<b>19</b>	<b>104</b>	<b>138</b>	<b>271</b>

Source: GAO presentation of agency data reported to the Interagency Suspension and Debarment Committee.

Note: Total number of suspension and debarment actions includes procurement and nonprocurement-related suspensions, proposed debarments, and debarments. Data in the table were verified by the agencies and in several cases, the agencies provided minor corrections to the data reported by the ISDC. Also, since the ISDC reports data for DHS as a whole, the data for FEMA were provided to us by DHS.

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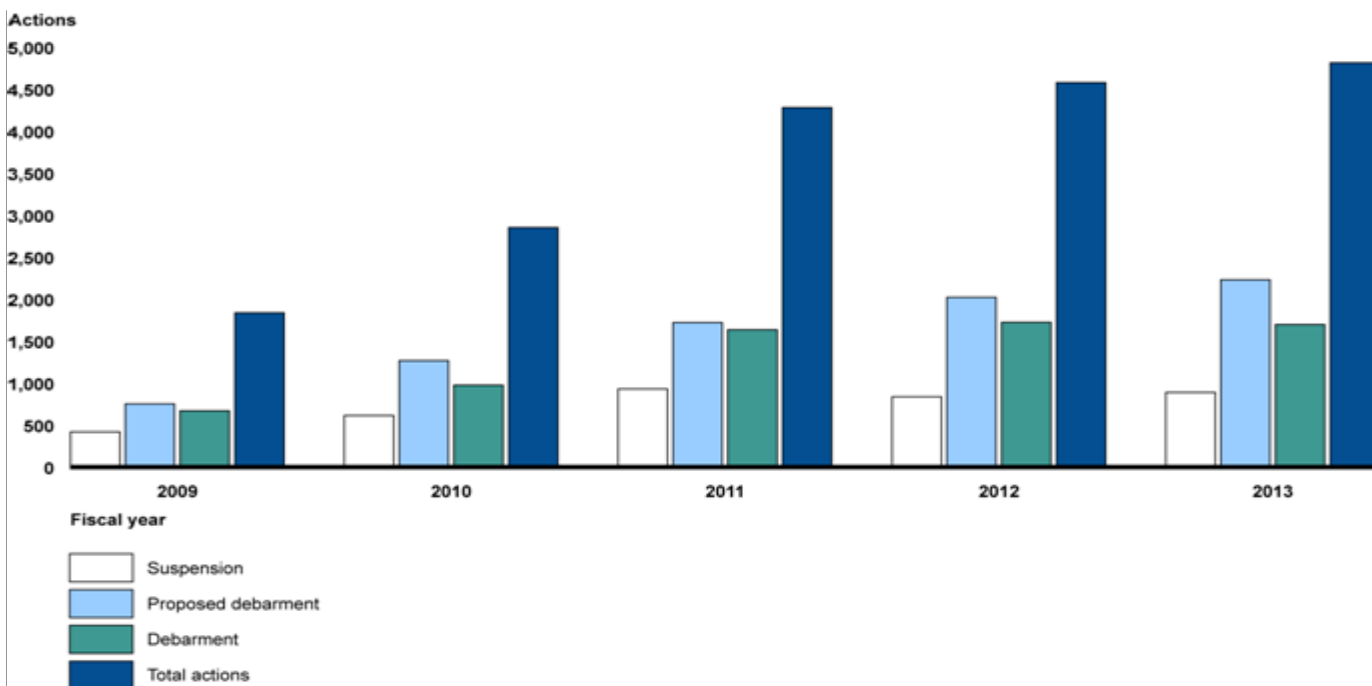
Agency officials told us that the actions taken since 2011 to incorporate the characteristics associated with active suspension and debarments programs have resulted in an increased level of suspension and debarment activity at their respective agencies, though officials emphasized different factors. For example, officials from the Departments of Commerce, State, and the Treasury stated that improved coordination between the Office of the Inspector General and the Suspension and Debarment Official coupled with increased training and awareness resulted in more referrals and the processing of more actions. While the number of actions Treasury reported for fiscal years 2009 through 2013 has been modest, officials told us that 62 actions have been processed in the first 5 months of fiscal year 2014 and they expect continued increases in the number of referrals. Justice officials stated that one factor that may have contributed to an increased number of referrals and actions is the Attorney General's January 2012 memorandum to all litigating authorities and the Director of the Federal Bureau of Investigation, reminding them to consider whether the facts of a case could be used as a basis for an exclusion or debarment and to coordinate with agency suspension and debarment authorities. HHS officials noted that an increased number of actions have resulted in part from the Office of Inspector General providing additional resources for training investigators and auditors on how to make suspension and debarment referrals involving procurement and nonprocurement matters. Officials from DHS attributed an increase in the number of actions at FEMA and across DHS to having a centralized suspension and debarment office, a directive establishing common standards, increased staffing, and training.

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## Suspension and Debarment Programs Have Received Attention Government-wide

The number of suspension and debarment actions government-wide has increased in recent years, more than doubling from 1,836 in fiscal year 2009 to 4,812 in fiscal year 2013, as shown in figure 1. ISDC officials do not consider the overall number of suspensions and debarments as the only measure of success, and emphasized that increased suspension and debarment activity has been coupled with agencies' increased capability to use suspension and debarment appropriately and adhere to the principles of fairness and due process as laid out in the governing regulations. According to ISDC officials, the programmatic improvements made by many agencies are due in part to increased management attention within individual agencies, guidance from OMB, and support from the ISDC.

**Figure 1: Government-wide Suspension and Debarment Actions for Fiscal Years 2009-2013**



Source: GAO presentation of agency data reported to the Interagency Suspension and Debarment Committee.

OMB and ISDC have taken a number of actions to strengthen government-wide suspension and debarment efforts. In response to GAO’s recommendations, on November 15, 2011, OMB directed agencies to take a number of actions to address program weaknesses and reinforce best practices in their suspension and debarment programs, including the following:<sup>13</sup>

- Appoint a senior accountable official, if one has not already been designated, to be responsible for assessing the agency’s suspension and debarment program and the adequacy of available resources, ensuring that the agency maintains effective internal controls and tracking capabilities, and ensuring that the agency participates regularly on the ISDC.

<sup>13</sup>OMB, *Suspension and Debarment of Federal Contractors and Grantees*, M-12-02 (Washington, D.C.: Nov. 15, 2011).

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- Review internal policies, procedures, and guidance to ensure that suspension and debarment are being considered and used effectively.

ISDC reported in September 2012 that each of the 24 agencies said it had

- an accountable official in place responsible for suspension and debarment activities, including assessing the adequacy of available training and resources;
- taken steps to address resources, policies, or both—in some cases by dedicating greater staff resources to handle referrals and manage cases and in others by entering into agreements to be mentored by the managers of successful programs; and
- procedures to forward possible actions to the suspending and debarring official.

The ISDC also has increased its efforts to coordinate government-wide suspension and debarment efforts by promoting best practices and coordinating mentoring and training activities. For example, the ISDC maintains an online library of documents aimed at promoting standardization and has efforts to help agencies develop their suspension and debarment programs to ensure appropriate attention to administrative due process in accordance with the governing regulations. ISDC officials cite robust participation in the ISDC, including agencies with mature suspension and debarment programs, which has enabled the ISDC to assist agencies in making program improvements and, in some cases, standing up programs where none existed before. The ISDC also conducts training for member agencies, including cosponsoring with the Council of the Inspectors General on Integrity and Efficiency an annual debarment workshop. Also, ISDC members provide instructors for the debarment training courses offered by the Federal Law Enforcement

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Training Centers.<sup>14</sup> Finally, the ISDC undertakes outreach to promote understanding of suspension and debarment and holds monthly meetings to discuss topics, including specific suspension and debarment actions and selected agencies' suspension and debarment procedures and tracking tools.

The six agencies we reviewed reported that they highly value the functions performed by the ISDC as a focal point for government-wide suspension and debarment efforts. For example, Treasury officials told us that they designed their suspension and debarment program around the best practices identified by the ISDC, taking advantage of templates, guidance, and mentoring available through the committee. Officials from several agencies noted that the ISDC is instrumental in managing an informal process to help agencies coordinate lead agency responsibility when multiple agencies have a potential interest in pursuing suspension and debarment of the same entity. According to officials from the agencies we reviewed, the ISDC regularly distributes information on new potential cases reported by the agencies. The agencies take into consideration factors such as financial, regulatory, and investigative interests in determining which agency should take the lead in the case. Several of the agencies we reviewed reported that this process helps identify the most appropriate lead, while also involving other agencies that may have a stake in a particular action. Officials from several agencies also reported that ISDC monthly meetings provide an important forum through which suspension and debarment officials can seek advice from agency counterparts on a range of issues.

In addition to speaking with officials from the six agencies we reviewed in 2011, we also reviewed the VA's suspension and debarment program to

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<sup>14</sup>The Inspector General Reform Act of 2008, Pub. L. No. 110-409, established the Council of the Inspectors General on Integrity and Efficiency as an independent entity within the executive branch to address integrity, economy, and effectiveness issues that transcend individual government agencies and increase the professionalism and effectiveness of personnel by developing policies, standards, and approaches to aid in establishing a well-trained, highly skilled workforce in the offices of the inspectors general. The Suspension and Debarment Working Group was formed in summer 2010 as part of the Council's Investigations Committee to raise the overall profile and expand the use of suspension and debarment. The Federal Law Enforcement Training Centers provide career-long training to law enforcement professionals to help them fulfill their responsibilities safely and proficiently. The Federal Law Enforcement Training Centers have four training sites that train an average of about 66,000 federal, state, local, tribal, and international law enforcement personnel every year.



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determine if government-wide efforts had affected the program. Based on our review, we found that the VA currently has the characteristics associated with active suspension debarment programs. For example, VA has a Debarment and Suspension Committee with a staff of about 10 positions that review all referrals for procurement-related suspension and debarment actions, conduct fact-finding, and present facts and recommendations to the Suspension and Debarring Official. Officials reported that VA has taken action to improve its suspension and debarment program in part in response to government-wide efforts. For example, VA's Suspension and Debarment Committee is currently drafting standard operating procedures to reflect leading practices. VA officials reported that the number of procurement-related suspension and debarment actions at VA has increased from 34 in fiscal year 2011 to 73 in fiscal year 2013.

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## Agency Comments

We provided a draft of this report to OMB and the Departments of Commerce, Health and Human Services, Justice, Homeland Security, State, the Treasury, and Veterans Affairs for review and comment. In an email response, the Associate Administrator of the Office of Federal Procurement Policy commented that OMB is pleased with the progress agencies have been making to strengthen their capabilities to consider the use of suspension and debarment when necessary. Further, OMB credits the work of the Interagency Suspension and Debarment Committee in helping to make many of the achievements possible. None of the seven agencies we reviewed provided substantive comments, but the Departments of Commerce, Health and Human Services, and Homeland Security provided technical comments which we incorporated, as appropriate.

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We are sending copies of this report to interested congressional committees; the Director of the Office of Management and Budget; the Attorney General and the Secretaries of Commerce, Health and Human Services, Homeland Security, State, the Treasury, and Veterans Affairs. The report also will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-4841 or [woodsw@gao.gov](mailto:woodsw@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Individuals who made key contributions to this

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report were Marie Mak, Director; Tatiana Winger, Assistant Director; Kristine R. Hassinger; Angie Nichols-Friedman; and Russ Reiter.

A handwritten signature in black ink that reads "William T. Woods". The signature is written in a cursive style with a large initial 'W'.

William T. Woods, Director  
Acquisition and Sourcing Management

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