



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 10, 2010

### **H.R. 5366** **Overseas Contractor Reform Act**

*As ordered reported by the House Committee on Oversight and Government Reform  
on July 28, 2010*

H.R. 5366 would amend federal law to require that any individual, partnership, or corporation found to be in violation of the Foreign Corrupt Practices Act of 1977 (FCPA) be suspended from receiving any federal contract or grant. That action would be required within 30 days after the final judgment of such a violation. Agencies could waive this provision for particular federal contracts or grants and would have to report such waivers to the Congress within 30 days. In addition, the legislation declares it to be the policy of the U.S. government that no contract or grant should be awarded to individuals or companies that violate the FCPA.

CBO expects that this bill would apply only to a small number of individuals and entities subject to FCPA enforcement actions that are settled through judicial proceedings. Consequently, we estimate that implementing the legislation would have no significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 5366 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.