

Nearly three years to the day after Blackwater Worldwide contractors prompted a deadly shooting in Baghdad that left 17 Iraqi civilians dead, the U.S. House on Wednesday passed legislation cracking down on illegal activities committed by government contractors.

Authored by Rep. Peter Welch (D-Vt.), the Overseas Contractor Reform Act (H.R. 5366) would ban companies and individuals convicted of bribing foreign officials from contracting with the federal government. Welch wrote the bill in response to allegations that Blackwater attempted to bribe Iraqi officials following the 2007 Baghdad shooting.

"Contractors that bribe foreign governments have absolutely no business profiting off the American taxpayer," Welch said. "Those who violate the rule of law undermine not only our nation's mission and values, but also the safety of our troops. This law puts contractors like Blackwater on notice that bribery and corruption simply will not be tolerated."

Welch first proposed cracking down on bribery committed by government contractors in November 2009, following publication of a [New York Times report](#) alleging that Blackwater authorized secret payments of \$1 million to Iraqi officials. The payments were allegedly made in order to prevent Iraqi officials from revoking the company's license to operate in the country after Blackwater employees opened fire on Iraqi civilians in Baghdad's Nisour Square.

Federal officials have been investigating whether the company violated the Foreign Corrupt Services Act.

H.R. 5366 would debar those convicted – and sever any ongoing contracts – 30 days after all possible appeals of a Foreign Corrupt Practices Act conviction are exhausted.

Welch has long been a leader in holding government contractors accountable to the taxpayer. In April 2008, he introduced the Close the Contractor Fraud Loophole Act (H.R. 5712), which required companies performing government contracts outside of the United States to report instances of internal fraud or overpayment.

Following an exchange between Welch and Blackwater CEO Erik Prince in a 2007 Oversight and Government Reform Committee hearing, Welch drafted the Government Contractor Accountability Act (H.R. 3928), which requires companies that receive more than 80 percent of their annual revenues from federal funds to disclose the salaries of their highest-paid officers.

Both of Welch's bills were signed into law as part of a supplemental appropriations bill in June 2008.