

(b) If you do not contest the proposed debarment pursuant to 2 CFR 180.815, or the suspension pursuant to 2 CFR 180.720, the final imposition of the debarment or suspension shall also constitute a final decision with respect to the limited denial of participation, to the extent that the debarment or suspension is based on the same transaction(s) or conduct as the limited denial of participation.

(c) If you contest the proposed debarment pursuant to 2 CFR 180.815, or the suspension pursuant to 2 CFR 180.720, then:

(1) Those parts of the limited denial of participation and the debarment or suspension based on the same transaction(s) or conduct, as determined by the debarring or suspending official, shall be immediately consolidated before the debarring or suspending official;

(2) Proceedings under the consolidated portions of the limited denial of participation shall be stayed before the hearing officer until the suspending or debarring official makes a determination as to whether the consolidated matters should be referred to a hearing officer. Such a determination must be made within 90 days of the date of the issuance of the suspension or proposed debarment, unless the suspending/debarring official extends the period for good cause.

(i) If the suspending or debarring official determines that there is a genuine dispute as to material facts regarding the consolidated matter, the entire consolidated matter will be referred to the hearing officer hearing the limited denial of participation, for additional proceedings pursuant to 2 CFR 180.750 or 180.845.

(ii) If the suspending or debarring official determines that there is no dispute as to material facts regarding the consolidated matter, jurisdiction of the hearing officer under 2 CFR part 2424, subpart J, to hear those parts of the limited denial of participation based on the same transaction[s] or conduct as the debarment or suspension, as determined by the debarring or suspending official, will be transferred to the debarring or suspending official, and the hearing officer responsible for hearing the limited denial of participation

shall transfer the administrative record to the debarring or suspending official.

(3) The suspending or debarring official shall hear the entire consolidated case under the procedures governing suspensions and debarments, and shall issue a final decision as to both the limited denial of participation and the suspension or debarment.

**§2424.1155 What is the effect of a limited denial of participation on a suspension or a debarment?**

The imposition of a limited denial of participation does not affect the right of the Department to suspend or debar any person under this part.

**§2424.1160 May a limited denial of participation be terminated before the term of the limited denial of participation expires?**

If the cause for the limited denial of participation is resolved before the expiration of the 12-month period, the official who imposed the sanction may terminate it.

**§2424.1165 How is a limited denial of participation reported?**

When a limited denial of participation has been made final, or the period for requesting a conference pursuant to §2424.1130 has expired without receipt of such a request, the official imposing the limited denial of participation shall notify the Director of the Compliance Division in the Departmental Enforcement Center of the scope of the limited denial of participation.

**PART 2429—REQUIREMENTS FOR DRUG-FREE WORKPLACE (FINANCIAL ASSISTANCE)**

- Sec. 2429.10 What does this part do?
- 2429.20 Does this part apply to me?
- 2429.30 What policies and procedures must I follow?

**Subpart A [Reserved]**

**Subpart B—Requirements for Recipients Other Than Individuals**

- 2429.225 Whom in HUD does a recipient other than an individual notify about a criminal drug conviction?

**§ 2429.10**

**2 CFR Ch. XXIV (1–1–12 Edition)**

**Subpart C—Requirements for Recipients Who Are Individuals**

2429.300 Whom in HUD does a recipient who is an individual notify about a criminal drug conviction?

**Subpart D—Responsibilities of Agency Awarding Officials**

2429.400 What method do I use as an agency awarding official to obtain a recipient’s agreement to comply with the OMB guidance?

**Subpart E—Violations of This Part and Consequences**

2429.500 Who in HUD determines that a recipient other than an individual violated the requirements of this part?

2429.505 Who in HUD determines that a recipient who is an individual violated the requirements of this part?

**Subpart F [Reserved]**

AUTHORITY: 41 U.S.C. 701–707; 42 U.S.C. 3535(d).

SOURCE: 76 FR 45166, July 28, 2011, unless otherwise noted.

**§ 2429.10 What does this part do?**

This part requires that the award and administration of HUD grants and cooperative agreements comply with Office of Management and Budget (OMB) guidance implementing the portion of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701–707) (referred to as the Act in this part) that applies to grants. This part:

(a) Gives regulatory effect to the OMB guidance (Subparts A through F of 2 CFR part 182) for HUD grants and cooperative agreements; and

(b) Establishes HUD policies and procedures for compliance with the Act that are the same as those of other Federal agencies, in conformance with the requirement in 41 U.S.C. 705 for governmentwide implementing regulations.

**§ 2429.20 Does this part apply to me?**

This part, and through this part, pertinent portions of the OMB guidance in subparts A through F of 2 CFR part 182 (see table at 2 CFR 182.115(b)) apply to you if you are a:

- (a) Recipient of a HUD grant or cooperative agreement; or
- (b) HUD awarding official.

**§ 2429.30 What policies and procedures must I follow?**

(a) *General.* You must follow the policies and procedures specified in applicable sections of the OMB guidance in Subparts A through F of 2 CFR part 182, as implemented by this part.

(b) *Specific sections of OMB guidance that this part supplements.* In implementing the OMB guidance in 2 CFR part 182, this part supplements four sections of the guidance, as shown in the following table. For each of those sections, you must follow the policies and procedures of the OMB guidance, as supplemented by this part.

Section of OMB guidance	Section in this part where supplemented	What the supplementation clarifies
(1) 2 CFR 182.225(a) .....	§ 2429.225	Whom in HUD must a recipient other than an individual notify if an employee is convicted for a violation of a criminal drug statute in the workplace?
(2) 2 CFR 182.300(b) .....	§ 2429.300	Whom in HUD must a recipient who is an individual notify if he or she is convicted of a criminal drug offense resulting from a violation occurring during the conduct of any award activity?
(3) 2 CFR 182.500 .....	§ 2429.500	Who in HUD is authorized to determine that a recipient other than an individual is in violation of the requirements of 2 CFR part 182, as implemented by this part?
(4) 2 CFR 182.505 .....	§ 2429.505	Who in HUD is authorized to determine that a recipient who is an individual is in violation of the requirements of 2 CFR part 182, as implemented by this part?

(c) *Sections of the OMB guidance that this part does not supplement.* For any section of OMB guidance in Subparts A through F of 2 CFR part 182 that is not

listed in paragraph (b) of this section, HUD policies and procedures are the same as those in the OMB guidance.

**Subpart A [Reserved]**

**Subpart B—Requirements for Recipients Other Than Individuals**

**§ 2429.225 Whom in HUD does a recipient other than an individual notify about a criminal conviction?**

A recipient other than an individual who is required under 2 CFR 182.225(a) to notify Federal agencies about an employee’s conviction for a criminal drug offense must notify each HUD office with which it currently has an award.

**Subpart C—Requirements for Recipients Who Are Individuals**

**§ 2429.300 Whom in HUD does a recipient who is an individual notify about a criminal conviction?**

A recipient who is an individual and is required under 2 CFR 182.300(b) to notify Federal agencies about a conviction for a criminal drug offense must notify each HUD office with which he or she currently has an award.

**Subpart D—Responsibilities of Agency Awarding Officials**

**§ 2429.400 What method do I use as an agency awarding official to obtain a recipient’s agreement to comply with the OMB guidance?**

To obtain a recipient’s agreement to comply with applicable requirements

in the OMB guidance at 2 CFR part 182, you must include the following term or condition in the award:

*Drug-free workplace.* You as the recipient must comply with drug-free workplace requirements in Subpart B (or Subpart C, if the recipient is an individual) of part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152–5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100–690, Title V, Subtitle D; 41 U.S.C. 701–707).

**Subpart E—Violations of This Part and Consequences**

**§ 2429.500 Who in HUD determines that a recipient other than an individual violated the requirements of this part?**

The Secretary or designee is the official authorized to make the determination under 2 CFR 182.500.

**§ 2429.505 Who in HUD determines that a recipient who is an individual violated the requirements of this part?**

The Secretary or designee is the official authorized to make the determination under 2 CFR 182.505.

**Subpart F [Reserved]**