cause for debarment within a 3-year period. H.R. 3033, as amended, specifies and clarifies that a ''concluded'' proceeding is one in which there is a finding of fault on the part of the person and the payment of restitution to a Federal or State government of $5,000 or more.

Additionally, it improves and clarifies the role of the Interagency Committee on Debarments and Suspension, and requires the administrator of General Services to report to Congress within 180 days with recommendations for further action to create the database.

This legislation has been strongly and consistently supported by the Campaign for Quality Construction and the Project on Government Oversight.

Currently the Federal Government's watchdogs, the Federal suspension and debarment officials, lack the information that they need to protect our business interests and taxpayers' dollars.

This system will give government procurement officers who are making these decisions more information about the qualifications and track records of the contractors. Beyond a listing of currently debarred or suspended persons, officials are now limited to their individual agency's knowledge of an entity's track record. This bill will make it easier for these procurement officers to prevent them giving contracts to those who repeatedly violate Federal laws or have poor performance, and it will prevent them from receiving future dollars from the Federal Government.

As a New York City councilwoman, I successfully led an effort to reform the contracting system of New York City. Included in that effort was a Vendex system which checked the backgrounds and the work of the contractors before awarding contracts. It has been credited with saving the city of New York hundreds of millions of dollars.

The United States is the largest purchaser of goods and services in the world, spending more than $419 billion on procurement awards in 2006, and over $440 billion on grants in 2005. It is Congress's responsibility to ensure that taxpayer dollars are used wisely and not wasted, certainly not wasted in our contracting system, and we should not be giving awards to contractors who have poor performance records.

I believe by improving the system for awarding contracts, I believe that this is critical for boosting the public's faith in our government and it will save taxpayers' dollars. I urge my colleagues to support this reform bill.

Mr. DAVIS of Virginia. I reserve the balance of my time.

Mr. TOWNS. I yield 5 minutes to the chairman of the full committee, the Honorable HENRY WAXMAN from the great State of California.

Mr. WAXMAN. I thank the gentleman from the great State of New York, the able chairman of the subcommittee, for yielding to me.

H.R. 3033, as amended, would create a centralized governmentwide database of information to more effectively monitor the award of Federal tax dollars. It would include not only information on companies and grantees that have been debarred by the Federal Government, but also information on civil, criminal, and administrative proceedings that have been concluded against contractors and grant recipients.

No such comprehensive database currently exists, and creating one would allow more efficient monitoring of Federal procurement and assistance programs.

This is a commonsense initiative that would allow the Federal Government to track fraudulent contractors and grantees and stop them from moving from agency to agency if they are debarred.

The bill was introduced by Representative MALONEY, and it is modeled on legislation that she passed for the city of New York when she was a city council member. That law has been very effective for the city.

The ranking member of the Oversight Committee, Representative TOM DAVIS, raised a number of concerns with the bill as originally drafted, and we worked with Representative DAVIS and his staff to try to address these concerns, and I thank him for his willingness to work with us on this matter.

We have also made changes reflected in the bill before us today to address concerns raised by other committees with certain provisions in the bill. As I understand it, some letters have been sent out in opposition to the bill without knowing that those changes have been made to address the concerns that were raised. The result that we have before us today is a measure that enjoys bipartisan support. I urge Members to support H.R. 3033, as amended.

Mr. DAVIS of Virginia. Let me just say again to Chairman WAXMAN and to the gentlelady from New York, we appreciate you working with us. We have a bill now that enhances the system, and we have met the objections of some of the groups like the U.S. Chamber and that had been raised on our side of the aisle. I appreciate it, and urge its adoption.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today in support of H.R. 3033, the ''Contractors and Federal Spending Accountability Act of 2008.'' H.R. 3033 mandates the establishment of a database that includes detailed information on civil, criminal, and administrative proceedings concluded against contractors and grant recipients by State and Federal governments; a listing, by contractor or grant recipient, of all contracts or grants that were terminated; any suspensions or debarments, or any agreement to resolve a suspension or debarment; any findings that the contractor or recipient is not a ''responsible'' source for Federal contracts.

As the great justice Louis Brandeis famously wrote, ''sunlight is said to be the best of disinfectants.'' H.R. 3033 will shed some sunlight on the contracting world.

This database will have myriad uses. Governments at all levels can turn to it when considering whether to award a contract or grant. Citizens can look to see how their tax dollars are being spent—and what steps are being taken to prevent waste, fraud, and abuse. Job seekers can look up prospective employers to find out what kind of company they might work for. Companies can do a little due diligence about prospective customers or vendors. In this information age, there is simply no reason information such as this should not be available to all of us.

My committee oversees the Department of Homeland Security. It is still young, as are many of its contracting professionals. But even the ''old pros'' of the Department are new to homeland security contracting—because homeland security contracting itself is new. A database like this—that allows these officials to quickly examine the history of prospective, contractors—might have helped the Department avoid some of the contracting fiascos that have plagued it to date. I am hopeful it will help the Department pick the best contractors in the future.

I encourage all of my colleagues to support this important legislation.

Mr. DAVIS of Virginia. Mr. Speaker, I yield back the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SERRANO). The question is on the motion offered by the gentleman from New York (Mr. TOWNS) that the House suspend the rules and pass the bill, H.R. 3033, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CLOSE THE CONTRACTOR FRAUD LOOPHOLE ACT

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5712) to require disclosure by Federal contractors of certain violations relating to the award or performance of Federal contracts, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Close the Contractor Fraud Loophole Act''.

SEC. 2. REVISION OF THE FEDERAL ACQUISITION REGULATION.

The Federal Acquisition Regulation shall be amended within 180 days after the date of the enactment of this Act pursuant to FAR Case 2007–006 (as published at 72 Fed Reg. 64019, November 14, 2007) or any follow-on FAR case to include provisions that require timely notification by Federal contractors of violations of Federal criminal law or overpayments in connection

with the award or performance of covered contracts or subcontracts, including those performed outside the United States and those for commercial items.

SEC. 3. DEFINITION.

In this Act, the term ''covered contract'' means any contract in an amount greater than $5,000,000 and more than 120 days in duration.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

GENERAL LEAVE

Mr. TOWNS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWNS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 5712, the Close the Contractor Fraud Loophole Act, is a commonsense solution to a problem that we never should have had in the first place. When the administration wrote a new rule requiring Federal contractors to report fraud and over billing on government contracts, for some reason contracts performed overseas and commercial item contracts were exempted from that requirement.

That didn't make sense to my colleague on the Subcommittee on Government Management, Congressman WELCH, because so much contract fraud and waste has been seen on contracts in Iraq and Afghanistan. He introduced this bill which will close these loopholes, and I salute him for that.

The Justice Department believes the new rule is necessary because few government contractors voluntarily disclose suspected instances of fraud. But the exemptions in the rule as written would leave out contractors like those in Iraq and Afghanistan, where we have spent billions on reconstruction contracts over the past 5 years. Over that period, the Justice Department has uncovered at least $14 million in contract bribes in those two countries alone. Contractors must be held to the same standards no matter where they perform their work.

Since Congressman WELCH brought attention to this loophole, introduced this bill, and called for the hearing our subcommittee held last week, the administration has said it is leaning toward including overseas and commercial item contracts in the final fraud reporting rule. I am happy to hear that, but we cannot get them to guarantee that these loopholes would be closed. That is why Mr. WELCH's bill is necessary, to make sure that loopholes are closed for good. Another way to put it, this legislation will help them deal with a problem that should not have occurred.

I want to thank Congressman WELCH for bringing this problem to the attention of the subcommittee. I would also like to thank the chairman of our full committee, Congressman WAXMAN, and also thank the ranking member of the full committee, Congressman DAVIS. And I would like to thank the ranking member of the subcommittee, Congressman BILBRAY, for helping us bring this bill to the floor.

Mr. Speaker, at a time when our national security is of paramount concern, criminals who cheat the government must be identified, stopped and punished. H.R. 5712 will help make sure that taxpayer dollars are used for their intended purpose, and not to line the pockets of corrupt individuals or companies. So I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Virginia. Mr. Speaker, I reserve the balance of my time.

Mr. TOWNS. Mr. Speaker, I yield 5 minutes to the Honorable HENRY WAXMAN, the chairman of the full committee.

Mr. WAXMAN. Mr. Speaker, I rise in strong support of H.R. 5712, the Close the Contractor Fraud Loophole Act. This bill would create a mandatory requirement for Federal contractors to disclose violations of Federal criminal law or significant overcharges discovered with relationship to a Federal contract. It would replace our current system of voluntary disclosure.

Moving to mandatory disclosure has been recommended by the Justice Department for good reason, the voluntary disclosure system is simply not working. In fiscal year 2007, only three contractors participated in the Defense Department's voluntary disclosure program.

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Congressman WELCH introduced this bill after the administration exempted contracts performed in Iraq and Afghanistan from a proposal to make fraud reporting mandatory. This exemption made no sense. As this committee's oversight has shown, fraud and over-billing are widespread in Iraq.

The administration testified at a hearing before the Government Management Subcommittee that these exemptions were included inadvertently, and they said they made a mistake. This is a mistake that needs to be corrected, and that's why I commend Congressman WELCH for pressing this issue and introducing this legislation. If we pass this bill, the real winners will be the Federal taxpayers.

Prior to our committee markup on the bill, we worked with Ranking Member DAVIS to address certain concerns he raised with the way the bill was originally drafted. And I want to thank Mr. DAVIS for working with us in a constructive manner to ensure passage of this bill.

The bill before us, H.R. 5712, as amended, would preserve Representative WELCH's original intent while at the same time preserving the legitimate role of the regulatory process. The bill requires that the Federal Acquisition Regulation be amended within 180 days to require disclosure of fraud for both domestic and overseas contracts, and for commercial item contracts.

I urge Members to support H.R. 5712, as amended. It has been approved by a bipartisan vote in our committee, and it ought to be overwhelmingly approved in the House as well.

Mr. DAVIS of Virginia. I yield myself such time as I may consume.

Mr. Speaker, I had serious concerns about this legislation when it was originally introduced. The original version would have required a Federal contractor to self-report to the agency's IG if the contractor had reasonable grounds to suspect a violation of criminal law or if a significant overpayment occurred on a contract held by the contractor. A knowing failure to make such a report would have been a cause for debarment or a suspension for all firms, including those holding contracts performed overseas and contracts for commercial items.

This original version, in my judgment, was an ill-considered attempt to strengthen an ethics compliance program that's currently being developed by the administration.

The concept of mandatory self-reporting by contractors of possible criminal violations, based on reasonable grounds, would have been unprecedented and obviously controversial. The rule proposed in the Federal Register was the subject of more than 70 comments. As expected, many of the firms subject to the rule expressed serious legitimate concerns about the proposal.

In actuality, the bill as introduced didn't make as significant change as intended to the substance of the proposed revisions. The problem was the bill leapfrogged the statutorily designated process for writing acquisition regulations, and would have encased in statute draft language establishing a new reporting scheme yet to be thoroughly vetted.

The subcommittee received testimony that the so-called loophole which was alleged to have been snuck in at the 11th hour, was really an inadvertent administrative error made by an overworked acquisition policy staff.

None of the agencies providing testimony to the subcommittee, including the Department of Justice, nor the contractor community, supported this bill as it was introduced.

But I will say this to the author of the legislation and the subcommittee chairman, we ended up working together, and the language before us today was offered in his amendment at

mark-up by Chairman WAXMAN and myself. This will ensure that the Federal acquisition regulation is revised to include a requirement that Federal contractors notify the government of violations of Federal, criminal law or overpayments in connection with the award or performance of contracts or subcontracts.

In doing so, it will ensure the regulation is applicable to all contracts, including those performed overseas and those for commercial items.

The stated purpose was ultimately accomplished by this language but accomplished through a more appropriate statutory acquisition rulemaking process.

Again, as with the other contractor bills we're considering today, I think that we would be better served if we would address some of the underlying problems in the acquisition system, and that is getting in good acquisition officials; whether they're contract managers, contracting officers, contracting officers technical representatives, trying to get more into government, educating them, training them and making sure they have the tools appropriate to get the best value for the tax dollars. That's where the real waste of government lies with having good acquisition officials.

I think this version of the bill today is an adequate solution. I want to thank again Chairman WAXMAN and Mr. WELCH for working with us to revise the language. I urge its adoption.

Mr. Speaker, today we rise to take up H.R. 5712, the Close the Contractor Fraud Loophole Act. This legislation would revise an administration-proposed contractor ethics and reporting program.

I had serious concerns about this legislation as it was originally introduced. The original version of the bill would have required a Federal contractor to self-report to the agency's Inspector General if the contractor had ''reasonable grounds'' to suspect a violation of criminal law or if a significant overpayment occurred on a contract held by the contractor. A knowing failure to make such a report would have been a cause for debarment or suspension for all firms, including those holding contracts performed overseas and contracts for commercial items.

This original version of the legislation was an ill-considered attempt to ''strengthen'' an ethics compliance program currently under development by the administration.

The concept of mandatory self-reporting by contractors of possible criminal violations based on ''reasonable grounds'' is unprecedented and controversial. The rule proposed in the Federal Register was the subject of more than 70 comments. As expected, many of the firms subject to the rule expressed serious and legitimate concerns about the proposal.

In actuality, the bill as introduced did not make as significant a change as intended to the substance of the proposed revisions to the acquisition regulations. The problem was the bill leapfrogged the statutorily designated process for writing acquisition regulations and would have encased in statute draft language establishing a new reporting scheme yet to be thoroughly vetted.

The Subcommittee on Government Management, Organization and Procurement received testimony that the so-called ''loophole''—which was alleged to have been ''snuck in at the eleventh hour''—was really an inadvertent administrative error made by an overworked acquisition policy workforce.

None of the agencies providing testimony to the Subcommittee, including the Department of Justice, nor the contractor community, supported H.R. 5712 as introduced. Instead, the stakeholders suggested the well-established regulatory drafting process should be allowed to continue to completion. They favored this rulemaking approach because it would allow all interested parties the opportunity to submit comments and have those comments considered in the deliberative process.

Nevertheless, the Committee moved forward with the legislation. Fortunately, Chairman WAXMAN, the bill's sponsor and I were able to work out language which addressed some of the concerns raised at the one hearing on the bill.

The language before us today, offered as an amendment at markup by Chairman WAXMAN and me, would ensure the Federal Acquisition Regulation is revised to include a requirement that Federal contractors notify the Government of violations of Federal criminal law or overpayments in connection with the award or performance of contracts or subcontracts. In doing so, it would ensure the regulation is applicable to all contracts, including those performed overseas and those for commercial items.

The stated purposes of the introduced version of H.R. 5712 are ultimately accomplished by this language, but accomplished through the more appropriate statutory acquisition rulemaking process.

Again, as with the other so-called ''contractor bills'' we are considering today, I continue to believe all would be better served if we had spent our time trying to improve the operation of our acquisition system—in order to better acquire the best value goods and services our Government so desperately needs.

And in this case, I am certain we would have been be better off had we allowed the regulatory process to go forward without any interference at all from us.

Nonetheless, under the circumstances, I believe this version of the bill we are considering today is an adequate solution, and I thank Chairman WAXMAN and Mr. WELCH for working with me on the revised language.

Mr. TOWNS. Mr. Speaker, I would like to yield 5 minutes to the author of this legislation, a person that has worked real hard and has done a magnificent job, the gentleman from Vermont, Congressman WELCH.

Mr. WELCH of Vermont. Mr. Speaker, one of the fundamental responsibilities that this Congress has is to protect taxpayer dollars. That has become an enormous challenge, as many of the taxpayer dollars that are appropriated are paid to private contractors.

The growth in contracting in the past 6 or 7 years has exploded. Procurement spending in 2000 was $213 billion. Procurement spending is when we enter into a contract with a private company to deliver goods or services. That amount exploded last year to $412 billion. Much of that is going to Iraq and Afghanistan. Much of this is being subject to waste, fraud and abuse.

The Oversight Committee under Mr. WAXMAN and Mr. DAVIS has done vigorous oversight and identified in 2006 that there were 118 contracts valued at $745 billion that were found by government auditors to include a significant component of fraud, abuse and mismanagement. And, in fact, it got worse.

In 2008, that report identified 187 contracts valued at $1.1 trillion, where they were plagued by waste, fraud and abuse.

The bottom line is, will we, as a Congress, Republicans and Democrats, be vigilant in protecting taxpayer dollars? We have to do that, especially when there is documented evidence of rip-offs, wicked rip-offs that have occurred with taxpayer dollars in Afghanistan and in Iraq.

There's two goals that we have. The first that we widely share is that every taxpayer dollar will be accounted for, and that the taxpayers who were working hard to support this government and our troops will see that their money is spent on proper things that are in the contract. We have to protect the taxpayer.

The second is we've got to protect the troops. If we are spending money in Iraq and Afghanistan for the intended purpose of bringing our troops home and improving our national security, any dollar that's wasted that results in any additional injury, or one day prolonged in the conflicts, is a dollar that is improperly wasted. We cannot do that.

So I believe that this loophole, however it got there, by mistake or by sleight of hand, however it got there, it's got to be closed. Obviously, if you have a regulation, as it was written, that says we will report fraud when it is a rip-off on a domestic contract, but we won't when it's on a foreign contract, we're sending a very unambiguous message. There's a green light to rip off taxpayers if the money is being spent abroad. That's not a defensible position. And that's why we're closing this loophole to make it absolutely clear that's unacceptable.

Now I think it does make sense. What Congressman DAVIS proposed as a new way of proceeding is fine with me. And here's why. The bottom line is protecting the taxpayers and protecting our troops. And if we can accomplish that better by finding a way that has bipartisan support, we can all have more confidence that we'll be successful.

So I'm glad to work with Chairman DAVIS in order to have this get done in

a bipartisan way. I want to thank very much Chairman WAXMAN and the great work of my chairman of the subcommittee, Mr. TOWNS, for bringing this forward so quickly and so effectively.

Mr. DAVIS of Virginia. Well, let me thank my friend for calling me Chairman DAVIS. It's with nostalgia that I use the terminology, but I guess once a chairman, always a chairman. But I now recognize Mr. WAXMAN as my chairman and a counterpart in a number of these issues.

I again enjoyed working with you on this legislation to bring it. I would urge its adoption.

I yield back the balance of my time.

Mr. TOWNS. Mr. Speaker, I want to thank Chairman WAXMAN; I want to thank Ranking Member DAVIS; and, of course, Ranking Member BILBRAY for his work; and, of course, Congressman WELCH. This legislation is really needed, and I was happy that we were able to move it to the floor very quickly, because any time we can save money, and I think that this is what this does, it saves the taxpayers money, and I just think we need to salute Congressman WELCH for his insight in being able to do just that.

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today in support of H.R. 5712, the ''Close the Contractor Fraud Loophole Act.''

The name of this bill really says it all. Today, as I speak, there is a loophole in Government procurement regulations that allows some contractors to avoid reporting violations of Federal law or overpayments.

The privilege—and, yes, it's a privilege—of earning Federal dollars carries with it certain responsibilities. One of those responsibilities is to do your utmost to avoid fraud, violations of law, and overpayments. Now, I understand that many large contractors have thousands of employees, and sometimes there can be a bad apple. But when a contractor learns of such a bad apple, it is its responsibility to report what it learns to the Government, and to make the Government whole for any loss.

Today, most contractors working in the United States are required by regulation to do just this. But contractors working overseas, and a few here in the U.S., fall outside this simple, commonsense reporting requirement.

This is not right—contractors accepting Federal dollars should be treated the same, whether they are performing the work in the United States or overseas, and regardless of whether they are selling ''commercial items.''

I want to commend Mr. WELCH and Chairman WAXMAN for recognizing this problem, and for doing something about it. Now that they have acted, the administration says that this loophole was a ''bureaucratic mistake'' and should be closed. Yet, before Congress moved, the administration was curiously slow to do anything to address this ''mistake.''

My committee has devoted a lot of time and energy to examining the Department of Homeland Security's contracting practices. What we have found is not always pretty. The Department is young, and has made some poor contracting decisions. But poor decisionmaking and the occasional inexperienced contracting officer is not a license for abuse, and it is incumbent on any contractor who discovers such abuse to report it.

I hope the administration makes good on its word and closes this loophole, but I'm mindful that it took congressional oversight and action to stir them into action. This is oversight at it best, and make no mistake, our oversight—of both the Government and the contractors themselves—will continue. I encourage all of my colleagues to support this legislation.

Mr. TOWNS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. TOWNS) that the House suspend the rules and pass the bill, H.R. 5712, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GOVERNMENT FUNDING TRANSPARENCY ACT OF 2008

Mr. TOWNS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3928) to require certain large government contractors that receive more than 80 percent of their annual gross revenue from Federal contracts to disclose the names and salaries of their most highly compensated officers, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Government Funding Transparency Act of 2008''.

SEC. 2. FINANCIAL DISCLOSURE REQUIREMENTS FOR CERTAIN RECIPIENTS OF FEDERAL AWARDS.

(a) DISCLOSURE REQUIREMENTS.—Section 2(b)(1) of the Federal Funding Accountability and Transparency Act (Public Law 109–282; 31 U.S.C. 6101 note) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following new subparagraph:

''(F) the names and total compensation of the five most highly compensated officers of the entity if—

''(i) the entity in the preceding fiscal year received—

''(I) 80 percent or more of its annual gross revenues in Federal awards; and

''(II) $25,000,000 or more in annual gross revenues from Federal awards; and

''(ii) the public does not have access to information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.''.

(b) REGULATIONS REQUIRED.—The Director of the Office of Management and Budget shall promulgate regulations to implement the amendment made by this Act. Such regulations shall include a definition of ''total compensation'' that is consistent with regulations of the Securities and Exchange Commission at section 402 of part 229 of title 17 of the Code of Federal Regulations (or any subsequent regulation).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. TOWNS) and the gentleman from Virginia (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. TOWNS. Mr. Speaker, I yield 5 minutes to Chairman WAXMAN, the gentleman from California.

Mr. WAXMAN. Mr. Speaker, my colleagues, this is the third of the three bills we had before us out of the Oversight and Government Reform Committee dealing with contracting issues. And I rise in strong support of this bill, H.R. 3928, the Government Funding Transparency Act. This bill requires contractors and other entities that are dependent on taxpayers funds for more than 80 percent of their annual gross revenue to disclose the names and salaries of their most highly compensated officials.

This requirement is similar to requirements that already apply to publicly traded companies under the rules of the Security and Exchange Commission and to nonprofit organizations through the Tax Code. It is based on a very simple principle. If you receive the vast amount of your revenue from the public, then the public has a right to know how that money is being spent.

The need for this bill became evident when the head of Blackwater, the private security military company, refused to tell Congress how much it earns, how much he earns. Blackwater gets almost all of its revenue from contracts with the Federal Government, yet Eric Prince, the head of the company, refused to answer Congressman MURPHY when Mr. MURPHY asked how much he earned.

As originally introduced by Representative MURPHY last October, H.R. 3928 would have applied only to government contractors. Some felt that this approach unfairly singled out those entities, and we worked with the ranking member of the committee, Representative TOM DAVIS, to address this concern. And I believe that the result is a much stronger bill.

The measure before us today applies to any entity that receives government funding, whether through a contract, grant, cooperative agreement, subsidy or any other form of Federal funding. The measure will bring much needed sunshine to how tax dollars are spent, including on contracts. Under the bill, companies that are privately held that receive the vast majority of their revenues from taxpayers' dollars would be required to disclose the salaries of their top officers.