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Bill Is Approved to Protect Against Contractor Fraud

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[WASHINGTON](#), Oct. 9 (AP) — The House voted 375 to 3 on Tuesday to make it easier to convict private contractors of defrauding the federal government during wartime.

The bill, sponsored by Representative Neil Abercrombie, Democrat of Hawaii, would create a new federal criminal statute banning fraud by contractors associated with military operations and reconstruction efforts, like those that have surfaced in Iraq.

The measure would ensure that federal courts have jurisdiction in all cases, closing what Mr. Abercrombie says is a loophole in existing law that has let many contractors off the hook.

The legislation also outlined specific penalties for contractors convicted of fraud.

Deliberately defrauding the government, by overstating the value of goods or services for example, could result in a jail term of as much as 20 years. Concealing information or presenting false statements or documents that are related to wartime contracts could result in a fine of \$1 million or twice the amount of money received in the scheme, whichever penalty is greater.

“Some of these contractors have declared the U.S. occupation of Iraq open season on the American taxpayer,” Mr. Abercrombie said.

A similar measure by Senator [Patrick J. Leahy](#), Democrat of Vermont, was approved in April by the Senate Judiciary Committee. A spokesman for Mr. Leahy said Republican objections had prevented it from getting a quick floor vote.

Last week, the House voted 389 to 30 on legislation by Representative David E. Price, Democrat of North Carolina, that would extend the criminal jurisdiction of United States courts to any federal contractor working alongside military operations.