

Paul Khoury Discusses DOD Proposal to Expand Role of Suspension and Debarment Officials

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Paul F. Khoury, a partner in Wiley Rein's Government Contracts Practice, was quoted in a May 29 *Law360* article about a U.S. Department of Defense (DOD) proposal to authorize suspension and debarment officials to take enforcement action against contractors who engage in fraud.

The plan would let suspension and debarment officials from DOD and the National Aeronautics and Space Administration (NASA) pursue civil penalties and fines against companies that make false claims for payment of up to \$500,000, according to the article. The proposal is part of a package of legislative requests the agency sent Congress last month for inclusion in the 2014 National Defense Authorization Act.

Defense officials told lawmakers the measure would help the agencies fight fraudulent activity involving relatively low dollar amounts that the U.S. Department of Justice often doesn't have the resources to pursue. *Law360* reported that some contractors are worried that the expanded enforcement authority could enable DOD and NASA officials to use the threat of debarment to pressure contractors into settling small fraud claims. Suspension and debarment prevents companies that pose a business risk to the government from participating in federal contracts.

Contractors have reason to be concerned about the DOD proposal because suspension and debarment actions have always been treated as ways to protect the government, not as ways to punish

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Practice Areas

Government Contracts
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contractors, Mr. Khoury told *Law360*.

"It seems contrary to the entire purpose of suspension and debarment," he said. "I don't see how enforcement of any fraud act should be in the hands of a suspension and debarment official."