



H.R. 3928 – GOVERNMENT CONTRACTOR ACCOUNTABILITY ACT OF 2007

FLOOR SITUATION

H.R. 3928 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Christopher Murphy (D-CT) on October 23, 2007. The House Committee on Oversight and Government Reform approved the bill, as amended, on March 13, 2008.

H.R. 3928 is expected to be considered on the floor of the House on April 23, 2008.

SUMMARY

H.R. 3928 would require any non-public entity receiving more than \$25 million from federal sources – such as grants, loans, cooperative agreements, contracts, and other forms of financial assistance - and earning 80 percent of its revenue from those sources to disclose the names and total compensation of the organization's five most highly compensated officers.

**NOTE: H.R. 3928 would expand the federal spending database created by the Federal Funding Accountability and Transparency Act of 2006 (authored by Representatives Roy Blunt and Tom Davis).*

BACKGROUND

Publicly traded companies are required to disclose the names and salaries of their most highly compensated officers to the Securities and Exchange Commission while privately held companies are not. However, under *cost-type contracts* and even some *fixed-price contracts*, this information is already available to government contracting officials. Additionally, procurement regulations place a ceiling on executive compensation costs which can be reimbursed under cost-type contracts.

Significant changes were made to the bill after it was reported by the House Committee on Oversight and Government Reform. According to Committee Republican Staff, these changes make it a more acceptable bill applying it not only to Federal contractors but also to grantees, loan recipients, and recipients of other forms of financial assistance (who meet the criteria of the legislation).

COST

The Congressional Budget Office, "estimates that implementing H.R. 3928 would cost \$2 million in 2009 and about \$5 million over the 2009-2013 period."

[Full CBO report for H.R. 3928](#)

STAFF CONTACT

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