

117TH CONGRESS
1ST SESSION

S. 2396

To promote ethics and prevent corruption in Department of Defense contracting and other activities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2021

Ms. WARREN introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To promote ethics and prevent corruption in Department of Defense contracting and other activities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Department of Defense Ethics and Anti-Corruption Act
6 of 2021”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REVOLVING DOOR AND CONTRACTOR INFLUENCE

- Sec. 101. Heightened revolving door requirements.
- Sec. 102. Requirements for defense contractors relating to certain former Department of Defense officials and lobbying activities.
- Sec. 103. Ban on hiring contracting officials enforceable on certain contracts.
- Sec. 104. Ban on hiring senior officials by giant defense contractors.
- Sec. 105. Modification of prohibition on lobbying activities with respect to the Department of Defense by certain officers of the Armed Forces and civilian employees of the Department of Defense following separation from military service or employment with the Department.
- Sec. 106. Enhancement of recusal for conflicts of personal interest requirements for Department of Defense officers and employees.
- Sec. 107. Prohibition on ownership or trading of stocks in certain companies by Department of Defense officers and employees.

TITLE II—LIMITING FOREIGN INFLUENCE

- Sec. 201. Advising foreign governments.
- Sec. 202. Ban on former military and civilian intelligence officers from foreign employment.

TITLE III—TRANSPARENCY

- Sec. 301. Affirmative contractor record disclosures.
- Sec. 302. Ownership of information.
- Sec. 303. Financial disclosure by large contractors.

1 **TITLE I—REVOLVING DOOR AND** 2 **CONTRACTOR INFLUENCE**

3 **SEC. 101. HEIGHTENED REVOLVING DOOR REQUIREMENTS.**

4 Section 847 of the National Defense Authorization
5 Act for Fiscal Year 2008 (Public Law 110–181; 10 U.S.C.
6 1701 note) is amended—

7 (1) in subsection (a)(1), by striking “within two
8 years of leaving service” and inserting “within four
9 years of leaving service”; and

10 (2) in subsection (b)—

11 (A) in paragraph (1)—

12 (i) by striking “retained by the De-
13 partment of Defense in a central database
14 or repository maintained by the General

Counsel of the Department for not less than five years” and inserting “retained by the Department of Defense in a central database or repository maintained by the General Counsel Standards and Conduct Office of the Department for not less than ten years”; and

(ii) by inserting “and shall be posted on a publicly available Internet website of the General Counsel Standards and Conduct Office” after “opinion was provided”; and

(B) in paragraph (2), by inserting “not less than biannually” after “conduct periodic reviews”.

**SEC. 102. REQUIREMENTS FOR DEFENSE CONTRACTORS
RELATING TO CERTAIN FORMER DEPARTMENT OF DEFENSE OFFICIALS AND LOBBYING ACTIVITIES.**

(a) REQUIREMENTS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code is amended by adding at the end the following new section:

1 **“§ 2410t. Defense contractors report: requirements**
 2 **concerning former Department of De-**
 3 **fense officials and lobbying activities**

4 “(a) IN GENERAL.—Each contract for the procure-
 5 ment of goods or services in excess of \$10,000,000, other
 6 than a contract for the procurement of office supplies or
 7 food and beverage (vending) services, that is entered into
 8 by the Department of Defense shall include a provision
 9 under which the contractor agrees to submit to the Sec-
 10 retary of Defense, not later than April 1 of each year such
 11 contract is in effect, a written report setting forth the in-
 12 formation required by subsection (b).

13 “(b) REPORT INFORMATION.—Except as provided in
 14 subsection (c), a report by a contractor under subsection
 15 (a) shall—

16 “(1) list the name of each person who—

17 “(A) is a former officer or employee of the
 18 Department of Defense or a former or retired
 19 member of the armed forces who served—

20 “(i) in an Executive Schedule position
 21 under subchapter II of chapter 53 of title
 22 5;

23 “(ii) in a position in the Senior Exec-
 24 utive Service under subchapter VIII of
 25 chapter 53 of title 5;

1 “(iii) in a position compensated at a
2 rate of pay for grade O–7 or above under
3 section 201 of title 37; or

4 “(iv) as a program manager, deputy
5 program manager, procuring contracting
6 officer, administrative contracting officer,
7 source selection authority, member of the
8 source selection evaluation board, or chief
9 of a financial or technical evaluation team
10 for a contract with a value in excess of
11 \$10,000,000; and

12 “(B) during the preceding calendar year
13 was provided compensation by the contractor, if
14 such compensation was first provided by the
15 contractor not more than four years after such
16 officer, employee, or member left service in the
17 Department of Defense;

18 “(2) in the case of each person listed under
19 subparagraph (A)—

20 “(A) identify the agency in which such per-
21 son was employed or served on active duty dur-
22 ing the last two years of such person’s service
23 with the Department of Defense;

24 “(B) state such person’s job title and iden-
25 tify each major defense system, contract, modi-

1 fication, subcontract, task order, and delivery
2 order in excess of \$10,000,000, if any, on which
3 such person performed any work with the De-
4 partment of Defense during the last two years
5 of such person's service with the Department;
6 and

7 “(C) state such person's current job title
8 with the contractor and identify each major de-
9 fense system, contract, modification, sub-
10 contract, task order, and delivery order in ex-
11 cess of \$10,000,000, on which such person has
12 performed any work on behalf of the contractor;
13 and

14 “(3) if the contractor is a client, include—

15 “(A) a statement that—

16 “(i) lists each specific issue for which
17 the contractor, any employee of the con-
18 tractor, or any lobbyist paid by the con-
19 tractor engaged in lobbying activities with
20 the Department of Defense; and

21 “(ii) specifies the Federal rule or reg-
22 ulation, Executive order, or other program,
23 policy, contract, or position of the Depart-
24 ment of Defense to which the lobbying ac-
25 tivities described in clause (i) related;

1 “(iii) lists each lobbying activity relat-
2 ing to the Department of Defense that the
3 contractor, any employee of the contractor,
4 or any lobbyist paid by the contractor has
5 engaged in on behalf of the contractor, in-
6 cluding—

7 “(I) each document prepared by
8 the contractor, any employee of the
9 contractor, or any lobbyist paid by the
10 contractor that was submitted to an
11 officer or employee of the Department
12 of Defense by the lobbyist;

13 “(II) each meeting that was a
14 lobbying contact with an officer or
15 employee of the Department of De-
16 fense, including the subject of the
17 meeting, the date of the meeting, and
18 the name and position of each indi-
19 vidual who attended the meeting;

20 “(III) each phone call made to an
21 officer or employee of the Department
22 of Defense that was a lobbying con-
23 tact, including the subject of the
24 phone call, the date of the phone call,
25 and the name and position of each in-

1 dividual who was on the phone call;
2 and

3 “(IV) each electronic communica-
4 tion sent to an officer or employee of
5 the Department of Defense that was a
6 lobbying contact, including the subject
7 of the electronic communication, the
8 date of the electronic communication,
9 and the name and position of each in-
10 dividual who received the electronic
11 communication;

12 “(iv) lists the name of each employee
13 of the contractor who—

14 “(I) did not participate in a lob-
15 bying contact with an officer or em-
16 ployee of the Department of Defense;
17 and

18 “(II) engaged in lobbying activi-
19 ties in support of a lobbying contact
20 with an officer or employee of the De-
21 partment of Defense; and

22 “(v) describes the lobbying activities
23 referred to in clause (iv)(II); and

24 “(B) a copy of any document transmitted
25 to an officer or employee of the Department of

1 Defense in the course of the lobbying activities
2 described in subparagraph (A)(iv)(II).

3 “(c) DUPLICATE INFORMATION NOT REQUIRED.—
4 An annual report submitted by a contractor pursuant to
5 subsection (b) need not provide information with respect
6 to any former officer or employee of the Department of
7 Defense or former or retired member of the armed forces
8 if such information has already been provided in a pre-
9 vious annual report filed by such contractor under this
10 section.

11 “(d) DEFINITIONS.—In subsection (b)(3), the terms
12 ‘client’, ‘lobbying activities’, ‘lobbying contact’, and ‘lob-
13 byist’ have the meanings given the terms in section 3 of
14 the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602).”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions at the beginning of chapter 141 of such title
17 is amended by adding at the end the following new
18 item:

“Sec. 2410t. Defense contractors report: requirements concerning former De-
partment of Defense officials and lobbying activities.”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by paragraphs (1) and (2) shall take effect on the
21 date of the enactment of this Act, and shall apply
22 with respect to contracts entered into on or after
23 that date.

24 (b) FUTURE TRANSFER.—

(1) TRANSFER AND REDESIGNATION.—Section 2410t of title 10, United States Code, as added by subsection (a), is transferred to chapter 363, as added by section 1862(b) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283), and redesignated as section 4661.

(2) CLERICAL AMENDMENTS.—

(A) TARGET CHAPTER TABLE OF SECTIONS.—The table of sections at the beginning of chapter 363 of title 10, United States Code, as added by section 1862(b) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283), is amended by inserting after the item relating to section 4660 the following:

“Sec. 4661. Defense contractors report: requirements concerning former Department of Defense officials and lobbying activities.”.

(B) ORIGIN CHAPTER TABLE OF SECTIONS.—The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by striking the item relating to section 2410t.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2022.

1 (4) REFERENCES; SAVINGS PROVISIONS; RULE
2 OF CONSTRUCTION.—Sections 1883 through 1885 of
3 the William M. (Mac) Thornberry National Defense
4 Authorization Act for Fiscal Year 2021 (Public Law
5 116–283) shall apply with respect to the amend-
6 ments made under this subsection as if such amend-
7 ments were made under title XVIII of such Act.

8 **SEC. 103. BAN ON HIRING CONTRACTING OFFICIALS EN-**
9 **FORCEABLE ON CERTAIN CONTRACTS.**

10 (a) PROHIBITION.—

11 (1) IN GENERAL.—Any contract for the pro-
12 curement of goods or services, other than a contract
13 for the procurement of commercial products or serv-
14 ices, with a value of excess of \$10,000,000 shall in-
15 clude a contract clause prohibiting the contractor
16 from providing compensation to a former Depart-
17 ment of Defense official described in paragraph (2)
18 within four years after such former official leaves
19 service in the Department of Defense.

20 (2) COVERED DEPARTMENT OF DEFENSE OFFI-
21 CIAL.—An official or former official of the Depart-
22 ment of Defense is covered by the requirements of
23 this section if such official or former official is a
24 former officer or employee of the Department of De-
25 fense or a former or retired member of the Armed

1 Forces who served as a program manager, deputy
 2 program manager, procuring contracting officer, ad-
 3 ministrative contracting officer, source selection au-
 4 thority, member of the source selection evaluation
 5 board, or chief of a financial or technical evaluation
 6 team for a contract with a value in excess of
 7 \$10,000,000, and such person—

8 (A) participated in the contract or license
 9 selection;

10 (B) determined or signed off on the tech-
 11 nical requirements of the contract or license; or

12 (C) granted the contract or license.

13 (b) ADMINISTRATIVE ACTIONS.—In the event that an
 14 official or former official of the Department of Defense
 15 described in subsection (a)(2), or a Department of De-
 16 fense contractor, knowingly fails to comply with the re-
 17 quirements of this subsection, the Secretary of Defense
 18 may take any of the administrative actions set forth in
 19 section 2105 of title 41, United States Code, that the Sec-
 20 retary of Defense determines to be appropriate.

21 **SEC. 104. BAN ON HIRING SENIOR OFFICIALS BY GIANT DE-**
 22 **FENSE CONTRACTORS.**

23 (a) PROHIBITION.—

24 (1) IN GENERAL.—Any Department of Defense
 25 contract for the procurement of goods or services

1 with a giant defense contractor shall include a con-
2 tract clause prohibiting the contractor from hiring or
3 paying (including as a consultant or lawyer) any cov-
4 ered Department of Defense official within four
5 years after such former official leaves service in the
6 Department of Defense.

7 (2) DEFINITIONS.—In this section:

8 (A) COVERED DEPARTMENT OF DEFENSE
9 OFFICIAL.—The term “covered Department of
10 Defense official” means a former officer or em-
11 ployee of the Department of Defense or a
12 former or retired member of the Armed Forces
13 who served—

14 (i) in an Executive Schedule position
15 under subchapter II of chapter 53 of title
16 5, United States Code;

17 (ii) in a position in the Senior Execu-
18 tive Service under subchapter VIII of
19 chapter 53 of title 5, United States Code;

20 (iii) in position compensated at a rate
21 of pay for grade O–7 or above under sec-
22 tion 201 of title 37, United States Code; or

23 (iv) in a supervisory position com-
24 pensated at a rate of pay for grade GS–15
25 of the General Schedule under section

1 5107 of title 5, United States Code, or
2 higher.

3 (B) GIANT DEFENSE CONTRACTOR.—The
4 term “giant defense contractor” means a con-
5 tractor (other than an institution of higher edu-
6 cation) that received an average of more than
7 \$1,000,000,000 in annual revenue from the De-
8 partment of Defense or the Department of En-
9 ergy for contracted work related to the United
10 States nuclear program in the previous three
11 fiscal years.

12 (b) ADMINISTRATIVE ACTIONS.—In the event that a
13 covered Department of Defense official, or a Department
14 of Defense contractor, knowingly fails to comply with the
15 requirements of this section, the Secretary of Defense may
16 take any of the administrative actions set forth in section
17 2105 of title 41, United States Code that the Secretary
18 of Defense determines to be appropriate.

19 (c) ANNUAL REPORT.—The Inspector General of the
20 Department of Defense shall submit to the Committee on
21 Armed Services of the Senate and the Committee on
22 Armed Services of the House of Representatives an annual
23 report listing the officials or former officials of the Depart-
24 ment of Defense described in subsection (a)(2)(A), or any
25 Department of Defense contractor, subject to any of the

1 administrative actions from the Secretary of Defense
 2 under the requirements of subsection (b) during the prior
 3 calendar year.

4 **SEC. 105. MODIFICATION OF PROHIBITION ON LOBBYING**
 5 **ACTIVITIES WITH RESPECT TO THE DEPART-**
 6 **MENT OF DEFENSE BY CERTAIN OFFICERS**
 7 **OF THE ARMED FORCES AND CIVILIAN EM-**
 8 **PLOYEES OF THE DEPARTMENT OF DEFENSE**
 9 **FOLLOWING SEPARATION FROM MILITARY**
 10 **SERVICE OR EMPLOYMENT WITH THE DE-**
 11 **PARTMENT.**

12 Section 1045 of the National Defense Authorization
 13 Act for Fiscal Year 2018 (Public Law 115–91; 131 Stat.
 14 1555) is amended—

15 (1) in subsection (a)—

16 (A) in the subsection heading, by striking
 17 “TWO-YEAR PROHIBITION” and inserting
 18 “FOUR-YEAR PROHIBITION”;

19 (B) in paragraph (1), by striking “during
 20 the two-year period” and inserting “during the
 21 four-year period”; and

22 (C) in paragraph (2)(A), by striking
 23 “grade O–9 or higher” and inserting “grade O–
 24 7 or higher”;

25 (2) by striking subsection (b);

1 (3) by redesignating subsection (c) as sub-
2 section (b); and

3 (4) in subsection (b)(1)(A), as redesignated by
4 paragraph (3), by inserting “, including activities in
5 support of lobbying contact with an officer or em-
6 ployee of the Department of Defense” before the pe-
7 riod at the end.

8 **SEC. 106. ENHANCEMENT OF RECUSAL FOR CONFLICTS OF**
9 **PERSONAL INTEREST REQUIREMENTS FOR**
10 **DEPARTMENT OF DEFENSE OFFICERS AND**
11 **EMPLOYEES.**

12 (a) IN GENERAL.—An officer or employee of the De-
13 partment of Defense may not participate personally and
14 substantially in any covered matter that the officer or em-
15 ployee knows, or reasonably should know, is likely to have
16 a direct and predictable effect on the financial interests
17 of any of the following:

18 (1) Any organization, including a trade organi-
19 zation, for which the officer or employee has served
20 as an employee, officer, director, trustee, or general
21 partner in the past 4 years.

22 (2) A former direct competitor or client of any
23 organization for which the officer or employee has
24 served as an employee, officer, director, trustee, or
25 general partner in the past 4 years.

1 (3) Any employer with whom the officer or em-
2 ployee is seeking employment.

3 (b) CONSTRUCTION.—Nothing in this section shall be
4 construed to terminate, alter, or make inapplicable any
5 other prohibition or limitation in law or regulation on the
6 participation of officers or employees of the Department
7 of Defense in covered matters having an effect on their
8 or related financial or other personal interests.

9 (c) COVERED MATTER DEFINED.—In this section,
10 the term “covered matter”—

11 (1) means any matter that involves deliberation,
12 decision, or action that is focused upon the interests
13 of specific person or a discrete and identifiable class
14 of persons; and

15 (2) includes policy making that is narrowly fo-
16 cused on the interests of a discrete and identifiable
17 class of persons.

18 **SEC. 107. PROHIBITION ON OWNERSHIP OR TRADING OF**
19 **STOCKS IN CERTAIN COMPANIES BY DEPART-**
20 **MENT OF DEFENSE OFFICERS AND EMPLOY-**
21 **EES.**

22 (a) DEFINITION.—In this section:

23 (1) COVERED OFFICIAL.—The term “covered
24 official” means any official described in section

1 847(c) of the National Defense Authorization Act
2 for Fiscal Year 2008 (10 U.S.C. 1701 note).

3 (2) PUBLICLY TRADED STOCK.—The term
4 “publicly traded stock” does not include a widely
5 held mutual investment fund as defined in regula-
6 tions issued by the Office of Government Ethics
7 under section 208(d)(2) of title 18, United States
8 Code.

9 (b) PROHIBITION ON OWNERSHIP AND TRADING
10 PUBLICLY TRADED STOCKS.—

11 (1) COVERED OFFICIALS.—No covered official
12 may own or trade a publicly traded stock of a com-
13 pany if, during the preceding calendar year, the
14 company received more than \$1,000,000,000 in rev-
15 enue from the Department of Defense, including
16 through 1 or more contracts with the Department.

17 (2) OTHER OFFICERS AND EMPLOYEES.—No
18 officer or employee of the Department of Defense
19 who is not a covered official may own or trade a
20 publicly traded stock of a company that is a con-
21 tractor or subcontractor of the Department if the
22 Standards of Conduct Office of the Office of the
23 General Counsel of the Department of Defense de-
24 termines that the value of the stock may be directly

1 or indirectly influenced by any official action of the
2 officer or employee.

3 (3) PENALTY.—Whoever violates paragraph (1)
4 or (2) shall be subject to the penalties set forth in
5 section 216 of title 18, United States Code.

6 **TITLE II—LIMITING FOREIGN** 7 **INFLUENCE**

8 **SEC. 201. ADVISING FOREIGN GOVERNMENTS.**

9 Section 207(f) of title 18, United States Code, is
10 amended—

11 (1) by redesignating paragraph (3) as para-
12 graph (4); and

13 (2) by inserting after paragraph (2) the fol-
14 lowing new paragraph:

15 “(3) PERMANENT RESTRICTION WITHOUT
16 PRIOR APPROVAL.—

17 “(A) IN GENERAL.—Any person who has
18 been employed as a senior official in the White
19 House, the Department of State; the Depart-
20 ment of Defense, or the Department of the
21 Treasury who, without the explicit prior ap-
22 proval of the Secretary of State, performs com-
23 pensated work for the benefit of a foreign entity
24 that might benefit from the knowledge obtained
25 by the person as a result of such United States

1 Government employment, shall be punished as
2 provided in section 216 of this title.

3 “(B) LIMITATION ON APPROVAL.—The
4 Secretary of State may not approve any work
5 described in subparagraph (A) that conflicts
6 with the national security interests of the
7 United States, as determined by the Secretary
8 and verified by the Director of National Intel-
9 ligence.

10 “(C) ANNUAL REPORT.—The Secretary of
11 State shall submit an annual report listing all
12 of the approvals under subparagraph (A), to in-
13 clude the related foreign entity, the duties as
14 assigned and performed by senior official, and
15 the work role (billet) held by the senior official
16 during the prior calendar year to the Com-
17 mittee on Foreign Relations of the Senate, the
18 Committee on Armed Services of the Senate,
19 the Select Committee on Intelligence of the
20 Senate, the Committee on Foreign Affairs of
21 the House of Representatives, the Committee
22 on Armed Services of the House of Representa-
23 tives, and the Permanent Select Committee on
24 Intelligence of the House of Representatives.”.

1 **SEC. 202. BAN ON FORMER MILITARY AND CIVILIAN INTEL-**
2 **LIGENCE OFFICERS FROM FOREIGN EMPLOY-**
3 **MENT.**

4 (a) IN GENERAL.—Except as provided in subsection
5 (b), military and civilian intelligence personnel employed
6 by a military intelligence organization possessing a secu-
7 rity clearance, upon separation from service or resigna-
8 tion, are prohibited from obtaining employment with a for-
9 eign government or a private company doing work pre-
10 dominantly on behalf of a foreign government.

11 (b) EXEMPTION.—

12 (1) IN GENERAL.—Employment with the Gov-
13 ernment of Australia, of Canada, of New Zealand, or
14 of the United Kingdom is not subject to the prohibi-
15 tion under subsection (a).

16 (2) WAIVERS.—

17 (A) AUTHORITY.—Individuals may seek
18 and be granted a waiver by the Secretary of
19 Defense, in consultation with the Secretary of
20 State, for employment by any other foreign gov-
21 ernment. Such waiver will be presumptively
22 granted in cases that personnel seek employ-
23 ment in jobs focused on humanitarian aid, de-
24 velopment, or civilian or nonmilitary infrastruc-
25 ture improvement. Waivers for employment in
26 other jobs shall be determined based on whether

such employment would reasonably involve the use or disclosure or appropriation of sources, methods, or skills that could pose a threat to United States' interests when employed by other countries or enable the repression of the nationals of such countries.

(B) ANNUAL REPORT.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives an annual report on all waivers granted under subparagraph (A).

TITLE III—TRANSPARENCY

SEC. 301. AFFIRMATIVE CONTRACTOR RECORD DISCLOSURES.

The Secretary of Defense shall publish on a publicly available Internet website the following information to the extent such information is unclassified and non-confidential:

(1) In the case of a contract with the Department of Defense for goods or services above the simplified acquisition threshold specified in section 134 of title 41, United States Code—

(A) copies of each contract and task delivery order the contractor on such contract has

1 entered into with the Department of Defense
2 during the previous three fiscal years; and

3 (B) past performance information about
4 the contractor to the extent it is maintained by
5 the Department.

6 (2) In the case of a contract with the Depart-
7 ment of Defense for goods or services in excess of
8 \$10,000,000, all correspondence and documents re-
9 lated to the contract.

10 (3) The contractor report required under sec-
11 tion 2410t of title 10, United States Code, as added
12 by section 102 of this Act.

13 **SEC. 302. OWNERSHIP OF INFORMATION.**

14 Any entity of the Department of Defense that enters
15 into a contract or agreement with, or provides funding to,
16 a nongovernmental entity for the purposes of procuring
17 goods or services shall—

18 (1) for the purposes of paragraph (3), be
19 deemed to have control over all information of the
20 entity related to—

21 (A) any costs or the expenditure of any
22 funds related to the contract or agreement; and

23 (B) any other information related to the
24 performance of the contract or agreement;

1 (2) provide access to the information described
2 in paragraph (1), which shall be considered an
3 “agency record”, to any person upon request made
4 pursuant to paragraph (3); and

5 (3) include compliance with this subsection as a
6 material term in any contract, agreement, or renewal
7 of a contract or agreement with any nongovern-
8 mental entity for the purposes of procuring goods or
9 services.

10 **SEC. 303. FINANCIAL DISCLOSURE BY LARGE CONTRAC-**
11 **TORS.**

12 (a) DISCLOSURE REQUIREMENT.—

13 (1) IN GENERAL.—The Secretary of Defense
14 shall require a covered contractor, as a condition for
15 entering into a contract with the Department of De-
16 fense, to make publicly available the following infor-
17 mation (excluding information determined to be clas-
18 sified by the Secretary):

19 (A) Audited financial statements.

20 (B) A listing of the salaries of employees
21 performing work on the contract that receive
22 compensation from the contractor in excess of
23 \$250,000 per year.

24 (C) A description of all Federal political
25 spending, including lobbying, by the contractor.

1 (2) SUSPENSION AND DEBARMENT.—The Sec-
2 retary of Defense may suspend or debar any covered
3 contractor that fails to comply with the disclosure
4 requirements under paragraph (1).

5 (3) COVERED CONTRACTOR DEFINED.—The
6 term “covered contractor” means a contractor (other
7 than an institute of higher education) that—

8 (A) received more than \$10,000,000 in an-
9 nual revenue from Federal Government con-
10 tracts or licenses in any of the previous three
11 fiscal years; or

12 (B) earned more than 20 percent of its
13 total annual revenue from Federal Government
14 contracts or licenses in any of the previous
15 three fiscal years.

○