

# ARRA ALERT

## OFFICE OF THE CHIEF INSPECTOR GENERAL

**DATE:** September 9, 2009

**TO:** Florida Inspectors General

**FROM:** Fraud Deterrence Committee

**SUBJECT:** ARRA Alert 09-01 Florida and Federal Excluded Vendor Lists

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Pursuant to Section 287.133, Florida Statutes and applicable federal law, certain vendors are prohibited from conducting business with the State or its political subdivisions. Generally, businesses or persons who are convicted of a “public entity crime” are barred from doing business with the State of Florida.

A “public entity crime” means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity..., including but not limited to, any bid, proposal, reply, or contract for goods or services, any lease for real property, or any contract for construction..., involving antitrust fraud, theft, bribery, collusion, racketeering, conspiracy or material misrepresentation.”

This prohibition is required in any contract, invitation to bid, requests for proposals and invitations to negotiate.

Additionally, a public entity may not accept any bid, proposal, or reply from, award any contract to, or transact any business in excess of \$25,000 with a person/affiliate on the convicted vendor list for 36 months following the date it was placed on the list unless that person/affiliate has been removed from the list....” See Section 287.133 (2)(b), F.S.

Moreover, state agencies must include such notice provisions when dealing with proposed or actual vendors. Invitations to bid, requests for proposals, and invitations to negotiate, as defined in s. 287.012, and any contract document described by s. 287.058 shall contain a statement informing persons of the provisions of paragraph (2)(a). See Section 287.133 (3)(a), F.S.

**Per Section 287.133(3)(b), F.S., the vendor is required to self report any qualifying conviction and any public entity with knowledge of such a conviction is required to report such information to DMS.**

**Since ARRA involves federal funding, all state agencies, via their contract administrators, should check both the Florida (DMS) and the federal website to verify that a vendor is not on an excluded list. These websites can be found at:**

**[http://dms.myflorida.com/business\\_operations/state\\_purchasing](http://dms.myflorida.com/business_operations/state_purchasing) Look under Vendor Information.**

**<http://www.epls.gov/> This is the federal list provided by the General Services Administration.**

**In summary, agencies must check the status of vendors prior to contract award as a preventive measure. Agency contracts must contain the statement listed above regarding convicted vendors, and agencies must report in accordance with the statute if they become aware that a vendor has been convicted of a public entity crime.**

***WHAT SHOULD YOU DO?* The OIG Fraud Deterrence Committee recommends that you meet with your agency contracting or procurement officials and carefully review the requirements of Section 287.133, F.S.**