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Chairman **Manning**, Vice-Chair **Reynolds** and members of the Senate Judiciary Committee, thank you for scheduling this important legislation for sponsored testimony and the opportunity to discuss how **Senate Bill 76** will protect Ohio taxpayers.

In general, debarment and suspension procedures are intended to prevent waste, fraud, and abuse in State procurement and non-procurement actions. Debarment or suspension of an organization or individual excludes that company or individual from doing business with State Government. These exclusions are intended to ensure that only responsible companies or individuals participate in contracts and financial assistance awards with State government. For example, this can include fraud under the Disadvantaged Business Enterprise program, falsification of documents relating to contract payments, falsification of credentials, or any other failure to follow the regulations and contract or financial assistance requirements. A debarment results in an exclusion from State contracting and financial assistance government wide for a set period of time, one to three years. However, the state of Ohio rarely exercises this policy to deter fraudulent state vendors. Our proposed legislation would change the law to require debarment in cases where vendors intentionally defraud the state of Ohio, rather than just allow debarment and fail to prevent fraudulent vendor activity from continuing.

**SB 76** would debar a vendor from consideration for contract awards upon a finding based upon a reasonable belief that the vendor has done any of the following: 1. Attempted to influence a public employee to breach ethical conduct standards or to influence a contract award; 2. Colluded to restrain competition by any means; 3. Been convicted under state or federal antitrust laws; 4. Been convicted under state or federal corruption laws; 5. Deliberately or willfully submitted false or misleading information regarding public contracts; 6. Admitted to a violation of embezzlement, forgery, falsification or destruction of records, receiving stolen property, and any other offense that directly reflects on the vendor's business integrity. Very simply, this is a common-sense reform bill that will ensure state agencies can be confident that they are not

entering into agreements with a contractor who has broken the public's trust. Bad actors will no longer to easily get a second or third or even more chances to defraud taxpayers. Under current law, the Ohio Facilities Executive Director shall determine the length of the debarment period based on the circumstances and factors relevant to each party and may rescind the debarment at any time upon notification to the contractor. The length will begin counting at the date of any initial suspension exclusion.

During the period of debarment, the contractor is not eligible to bid for or participate in any contract for a public improvement as referred to in section 153.01 of the Revised Code or for a project as defined in section 3318.01 of the Revised Code. After the debarment period expires, the contractor may be eligible to bid for and participate in such contracts if the vendor is not otherwise debarred. At the Director's discretion the period for debarment may be changed.

Again, members of this Committee, thank you for the opportunity to offer sponsored testimony and I am ready to respond to any questions.