

Suspension And Debarment: FY 2024 By The Numbers

By **David Robbins** (October 29, 2024, 4:05 PM EDT)

With federal fiscal year 2024 in the rearview mirror, it is again time to analyze the suspension and debarment activity in certain federal agencies.

This is the ninth year of this analysis, which seeks to fill the information vacuum using publicly available data from the System for Award Management.[1] This analysis is taken directly from the authoritative government database, in near-real time, to provide a better understanding of the enforcement climate facing government contractors.

Now for an important caveat. For the past nine years, this analysis has focused on a subset of federal agencies with suspension and debarment authority and a nexus to government contracting. This analysis excludes agencies focusing on issues and industries that are less relevant to the government contracts community in an attempt to be as targeted as possible.

This analysis, which will be explained in more detail below, shows two different trends.

First, the multiyear decline of suspensions and debarment for firms (companies with traditional indicia of being government contractors) and special entities (companies that do not appear to be contractors) has slowed. Their numbers still decreased, but by comparatively little.

And second, there is a sharp decline in suspensions and debarments of individuals — again.

SAM Data Versus ISDC Data

It remains important to note that the data reviewed in this article is substantially different from the information belatedly published by the Interagency Suspension and Debarment Committee in what is required by Section 873(a)(7) of the Duncan Hunter National Defense Authorization Act for fiscal year 2009 to be an annual report to Congress.

The ISDC report lists separately the numbers of suspensions, debarments and proposed debarments by agency. As such, the ISDC report measures the total number of times an agency issues any kind of action during a fiscal year.

For example, if an agency suspended, proposed for debarment and debarred a single contractor in a year, then the ISDC report would count that as three actions. But that tally is not helpful for members of



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the public who seek to understand the number of companies or individuals subject to exclusions.

Simply put, the ISDC report does not help the public understand how common exclusions are. That report only shares how many actions occurred and is silent on how many respondents were involved.

This is the reason for this annual by-the-numbers article: to help contractors assess risks and adjust conduct.

Fiscal Year 2024 at a Glance

	Total	Firms	Individuals	Special Entities	Percentage Individuals
Agriculture	11	0	10	1	90%
USAID	15	0	15	0	100%
Commerce	9	6	3	0	33%
DOD-Air Force	16	10	5	1	31%
DOD-Army	58	20	37	1	63%
DOD-DLA	71	31	39	1	55%
DOD-Navy	84	60	19	5	23%
Education	2	0	2	0	100%
Energy	4	2	2	0	50%
EPA	58	22	22	14	39%
GSA	14	5	6	3	43%
Interior	12	1	2	9	17%
NASA	9	3	4	2	44%
NSF	4	0	4	0	100%
SBA	32	4	13	15	40%
State	0	0	0	0	N/A
VA	16	5	11	0	69%

Given the continuing prevalence of agencies listing multiple common names in SAM.gov, this analysis again removes common names for entries that appear to be the same individuals or the same companies from the count. In the interest of clarity and transparency, here are the numbers removed from the table:

- The U.S. Agency for International Development had eight common names.
- The U.S. Army had four common names.
- The Defense Logistics Agency and the U.S. General Services Administration each had one common name.
- The U.S. Department of the Interior had four common names.
- NASA had the U.S. Navy had two common names each.
- The Small Business Administration had three common names.

- The U.S. Department of Veterans Affairs had one common name.

And as with last year, the Navy took action against 48 different entities in the Glenn Marine corporate family involved in the so-called Fat Leonard bribery scandal. Because these were different businesses, the number was not removed from the Navy's tally.

On to other trends. The sky is blue, the sun rises in the east, and as has been the case in previous years of this analysis, small, U.S.-based firms were excluded far, far more frequently than large U.S.-based firms.

Once again, analyzing business size is more art than science. Open-source business intelligence services are helpful for looking up company revenue and employee numbers. But as is the case year over year, this table still reflects the use of this author's judgment on size.

This analysis does not account for the applicable size standard for every business or contract, as that can be any combination of the number of employees and/or annual revenue. Instead, when publicly available sources indicate fewer than 100 employees (which is the significant majority of the time) or single-digit, million-dollar revenues per year, this analysis generally counts the business as small.

As a reminder, this analysis leaves out business size figures for pandemic-affected 2020 because of concerns that federal agencies' move to remote work and other pandemic distractions might have skewed the data.

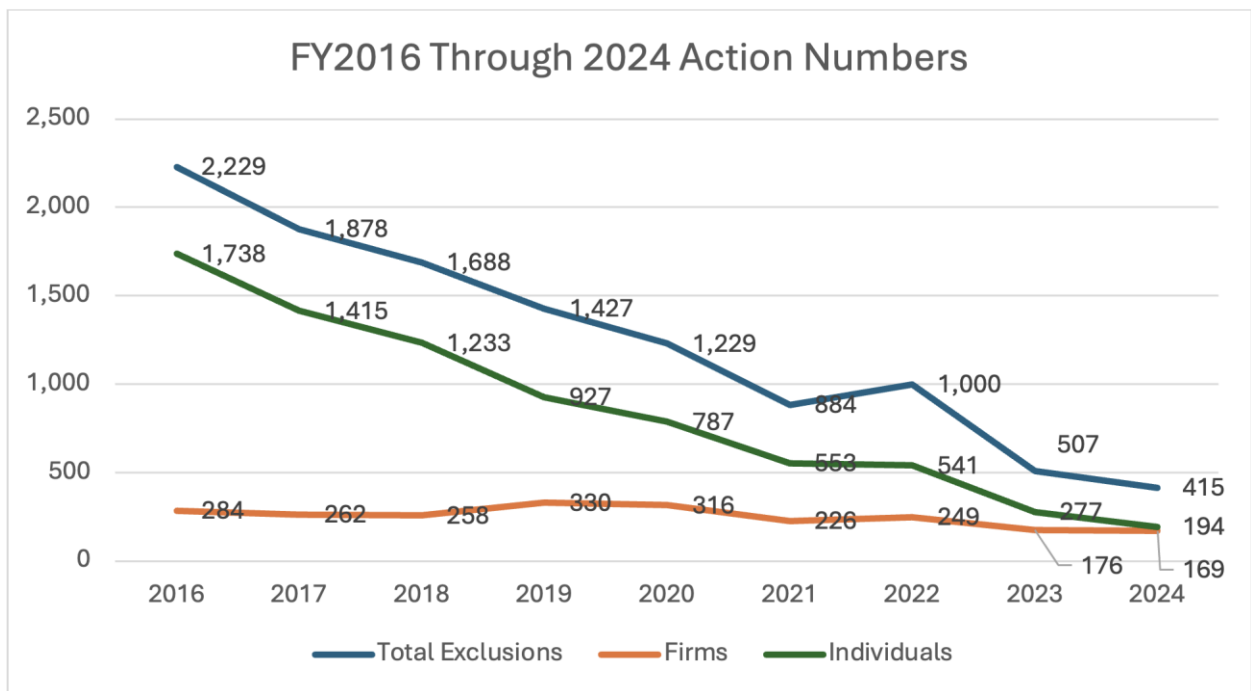
Agency	2024	2023	2022	2021	2019	2018	2017
Agriculture	N/A	N/A	N/A	100%	100%	100%	88%
USAID	N/A	N/A	N/A	100%	N/A	N/A	N/A
Commerce	100%	N/A	N/A	100%	100%	100%	N/A
DOD-AF	100%	100%	100%	88%	92%	100%	100%
DOD-Army	100%	95%	100%	100%	91%	98%	62%
DOD-Navy	100%	100%	100%	97%	100%	94%	94%
DOD-DLA	100%	96%	100%	92%	97%	91%	73%
Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Energy	100%	100%	100%	100%	N/A	100%	25%
EPA	73%	90%	82%	97	87%	98%	77%
GSA	100%	100%	77%	100%	100%	97%	100%
Interior	100%	100%	100%	100%	100%	50%	100%
NASA	100%	100%	84%	N/A	0%	100%	67%
NSF	N/A	N/A	100%	100%	100%	100%	100%
SBA	100%	100%	83%	100%	100%	100%	100%
State	N/A	N/A	100%	N/A	100%	100%	N/A
VA	100%	82%	82%	100%	100%	100%	100%

Comparison of Fiscal Year 2016 Through Fiscal Year 2024

The following table puts all nine years of this analysis together to show overall trends in suspension and debarment activity. Decreasing numbers year-over-year are shown in red. Increasing numbers are shown in green. The one instance where a number did not change year-over-year is shown in black.

Fiscal Year	Total Exclusions	Firms	Individuals	Special Entities
2016	2,229	284	1,738	307
2017	1,878	262	1,415	201
2018	1,688	258	1,233	197
2019	1,427	330	927	188
2020	1,229	316	787	128
2021	884	226	553	104
2022	1,000	249	541	210
2023	507	176	277	52
2024	415	169	194	52

2016 Through 2024 Actions



Analysis

A quick look at the table and charts shows that the downward trend in suspension and debarment actions has continued unabated. Between fiscal year 2023 and fiscal year 2024, the total number of actions within the agencies we study declined by 18%, largely due to fewer individuals being suspended or debarred.

This is a welcome development, as exclusions of individuals have effects far beyond government contracting and can seem punitive.

We do not know the reason for the sharp decline in exclusions of individuals, because the statutorily required annual report of the ISDC is two years behind schedule, having just published a joint fiscal year 2021-2022 report at the end of calendar year 2023.[2]

But several reasons are plausible. One possible reason is that the overall marketplace of government contractors may have become more ethical and compliant over time. After all, interactions with industry overwhelmingly show companies working hard to do the right thing and remain in compliance.

Another possible reason is that the government's focus on exclusions through suspension and debarment has waned either due to a lack of quality referrals from law enforcement, a lack of staff or a preference for other activities.

Or perhaps there is a growing view in the government that excluding individuals is more punitive than prophylactic, and therefore a poor fit for suspension and debarment.

Notwithstanding the continued decline, there are signs of health in the government's suspension and debarment system this year. Debarments of individuals fell and overall numbers of excluded firms and special entities leveled out. This may be the new normal for suspension and debarment activity of companies in the current era.

The falling individual exclusions can be viewed positively as they may evidence the government realizing that excluding individuals can be more punitive than prophylactic, especially where, for example, an individual mischarged a limited amount of time, got caught, lost their job for it and already learned their lesson.

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[1] <https://www.sam.gov>.

[2] https://www.acquisition.gov/sites/default/files/page_file_uploads/ISDC_Section_873_Joint_FY_2021-22_Report_Web_Upload.pdf.