

113TH CONGRESS  
1ST SESSION

# H. R. 1088

To require the Secretary of Transportation to develop a rule that does not allow Federal funds under the disadvantaged business enterprise program to be used for any enterprise that is no longer eligible under such program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2013

Ms. HERRERA BEUTLER introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the Secretary of Transportation to develop a rule that does not allow Federal funds under the disadvantaged business enterprise program to be used for any enterprise that is no longer eligible under such program, 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.**

4 This Act may be cited as the “Cheating Doesn’t Pay  
5 Act”.

1 **SEC. 2. RULE REGARDING DISADVANTAGED BUSINESS EN-**  
2 **TERPRISE.**

3 (a) IN GENERAL.—Except as provided in subsection  
4 (b), not later than 90 days after the date of enactment  
5 of this Act, the Secretary of Transportation shall issue a  
6 rule that—

7 (1) does not allow Federal funds under the dis-  
8 advantaged business enterprise program, described  
9 in section 1101(b) of MAP–21 (23 U.S.C. 101  
10 note), to be used for any enterprise that is no longer  
11 eligible under such program;

12 (2) 90 days after the date of enactment of this  
13 Act, each grant award, contract, or subcontract  
14 under the disadvantaged business enterprise pro-  
15 gram prohibits any Federal funds under the pro-  
16 gram to be provided to an enterprise as soon as the  
17 enterprise is no longer eligible under such program;

18 (3) recuperates any unobligated funds made  
19 available under the disadvantaged business enter-  
20 prise program to any enterprise no longer eligible  
21 under the program; and

22 (4) ensures that if a disadvantaged business en-  
23 terprise is no longer eligible to receive funds under  
24 the program, the Secretary shall take such measures  
25 as are practicable to expedite bidding with other eli-

1       gible enterprises to complete any project started by  
2       the no longer eligible enterprise.

3       (b) GRADUATION EXCEPTION.—If a disadvantaged  
4 business enterprise is no longer eligible to receive funds  
5 under the program solely on the basis of its size, the Sec-  
6 retary shall allow such entity to complete any existing  
7 projects but shall not allow such enterprise to be eligible  
8 for additional funds for any new projects unless the State  
9 in which the enterprise is located recertifies it in accord-  
10 ance with section 1101(b) of MAP-21 (23 U.S.C. 101  
11 note).

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