

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6916

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## AN ACT

To amend title 31, United States Code, to prohibit Federal Funds from being provided to individuals convicted of certain Federal felonies, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Federal Program In-  
3 tegrity and Fraud Prevention Act of 2026”.

4 **SEC. 2. PROHIBITING FEDERAL FUNDS FROM BEING PRO-**  
5 **VIDED TO INDIVIDUALS CONVICTED OF CER-**  
6 **TAIN FEDERAL FELONIES.**

7 (a) PROHIBITION.—Subchapter II of chapter 33 of  
8 title 31, United States Code, is amended by adding at the  
9 end the following:

10 **“§ 3337. Prohibiting Federal Funds from being pro-**  
11 **vided to individuals convicted of certain**  
12 **Federal felonies.**

13 “(a) PROHIBITION.—

14 “(1) IN GENERAL.—The head of an agency may  
15 not enter into, renew, or extend a Federal contract,  
16 or provide a grant or other Federal financial assist-  
17 ance to, an individual convicted of a covered felony  
18 arising out of any Federal contract, grant, coopera-  
19 tive agreement, loan, or other financial assistance, or  
20 to an entity of which such individual is a beneficial  
21 owner, during the three year period following the  
22 date of the conviction.

23 “(2) APPLICATION.—The prohibition under  
24 paragraph (1) shall apply with respect to an indi-  
25 vidual convicted after the date of the enactment of  
26 this section.

1 “(b) WAIVER.—

2 “(1) AUTHORITY.—The head of an agency may  
3 waive on a case-by-case basis the prohibition under  
4 subsection (a) with respect to an individual or entity  
5 described under such subsection if the head of the  
6 agency determines such waiver is justifiable.

7 “(2) WRITTEN CONGRESSIONAL NOTIFICATION  
8 OF WAIVER.—Immediately after making a deter-  
9 mination to issue a waiver under paragraph (1), the  
10 head of an agency shall provide to Congress a writ-  
11 ten notification of such determination that includes  
12 the justification for the waiver.

13 “(c) NOTICE REQUIREMENTS.—For each individual  
14 convicted of a covered felony arising out of any Federal  
15 contract, grant, cooperative agreement, loan, or other fi-  
16 nancial assistance—

17 “(1) the Attorney General shall notify the Ad-  
18 ministrator of General Services in a timely manner  
19 of such conviction; and

20 “(2) the Administrator shall promptly update  
21 the System for Award Management Exclusions list  
22 described in part 9 of title 48, Code of Federal Reg-  
23 ulations, and part 180 of title 2 of such Code, or  
24 any successor regulation, to include such individual.

1       “(d) GUIDANCE.—Not later than 1 year after the  
2 date of the enactment of this Act, the Director of the Of-  
3 fice of Management and Budget shall issue guidance for  
4 the implementation of, and compliance with, the require-  
5 ments of this section.

6       “(e) FEDERAL ACQUISITION REGULATION.—The  
7 Federal Acquisition Regulation shall be revised as nec-  
8 essary to implement the provisions of this section.

9       “(f) RULES OF CONSTRUCTION.—

10           “(1) FEDERAL INTERESTS.—Nothing in this  
11 section may be construed to prohibit an agency from  
12 seeking or taking any other available criminal, civil,  
13 or administrative action to protect Federal Govern-  
14 ment interests, including the proposal or implemen-  
15 tation of suspension or debarment actions pursuant  
16 to subpart 9.4 of title 48, Code of Federal Regula-  
17 tions, and part 180 of title 2 of such Code.

18           “(2) EXCLUSION.—Nothing in subsection (b)  
19 may be construed to affect any other statutory or  
20 regulatory waiver authority related to an exclusion.

21       “(g) DEFINITIONS.—In this section:

22           “(1) AGENCY.—The term ‘agency’ means—

23                   “(A) an Executive department (as defined  
24                   under section 101 of title 5);

1           “(B) a military department (as defined  
2 under section 102 of title 5);

3           “(C) a Government corporation (as defined  
4 under section 103 of title 5); and

5           “(D) an independent establishment (as de-  
6 fined under section 104(1) of title 5).

7           “(2) BENEFICIAL OWNER.—The term ‘bene-  
8 ficial owner’—

9           “(A) means, with respect to an entity, an  
10 individual who, directly or indirectly, through  
11 any contract, arrangement, understanding, rela-  
12 tionship, or otherwise—

13           “(i) exercises substantial control over  
14 the entity; or

15           “(ii) owns or controls not less than 25  
16 percent of the ownership interests of the  
17 entity; and

18           “(B) does not include—

19           “(i) a minor child, as defined in the  
20 jurisdiction in which the entity is formed,  
21 if the information of the parent or guard-  
22 ian of the minor child is reported in ac-  
23 cordance with this section;

1           “(ii) an individual acting as a nomi-  
2           nee, intermediary, custodian, or agent on  
3           behalf of another individual;

4           “(iii) an individual acting solely as an  
5           employee of a corporation, limited liability  
6           company, or other similar entity and whose  
7           control over or economic benefits from  
8           such entity is derived solely from the em-  
9           ployment status of the person;

10           “(iv) an individual whose only interest  
11           in a corporation, limited liability company,  
12           or other similar entity is through a right of  
13           inheritance; or

14           “(v) a creditor of a corporation, lim-  
15           ited liability company, or other similar en-  
16           tity, unless the creditor meets the require-  
17           ments of subparagraph (A).

18           “(3) CONVICTED.—The term ‘convicted’ means  
19           any of the following:

20           “(A) A judgment of conviction has been  
21           entered against the individual by a Federal  
22           court, except for any individual whose convic-  
23           tion has been reversed or vacated.

24           “(B) A plea of guilty or nolo contendere by  
25           the individual has been accepted by a Federal

1 court, except for any case in which the convic-  
2 tion entered as result of such plea has been re-  
3 versed or vacated.

4 “(C) The individual has entered into a  
5 first offender, deferred adjudication, deferred  
6 prosecution, or other arrangement or program  
7 in which the individual admitted guilt or re-  
8 sponsibility to the underlying offense.

9 “(4) COVERED FELONY.—The term ‘covered  
10 felony’ means a felony described under section 286,  
11 287, 371, 508, 641, 666, 1001, 1002, 1014, 1017,  
12 1028, 1028A, 1030, 1031, 1040(a)(2), 1341, 1342,  
13 1343, 1344, 1345, 1349, 1956, or 1957 of title 18  
14 or section 16 of the Small Business Act (15 U.S.C.  
15 645).”.

16 (b) TABLE OF CONTENTS.—The table of contents for  
17 subchapter II of chapter 33 of title 31, United States  
18 Code, is amended by adding at the end the following:

“3337. Prohibiting Federal funds from being provided to individuals convicted  
of certain Federal felonies.”.

Passed the House of Representatives June 8, 2026.

Attest:

*Clerk.*

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