

### Subpart A—General

#### § 137.100 What does this part do?

This part adopts a governmentwide system of debarment and suspension for Department of State nonprocurement activities. It also provides for reciprocal exclusion of persons who have been excluded under the Federal Acquisition Regulation, and provides for the consolidated listing of all persons who are excluded, or disqualified by statute, executive order, or other legal authority. This part satisfies the requirements in section 3 of Executive Order 12549, “Debarment and Suspension” (3 CFR 1986 Comp., p. 189), Executive Order 12689, “Debarment and Suspension” (3 CFR 1989 Comp., p. 235) and 31 U.S.C. 6101 note (Section 2455, Public Law 103–355, 108 Stat. 3327).

#### § 137.105 Does this part apply to me?

Portions of this part (see table at § 137.25(b)) apply to you if you are a—

- (a) Person who has been, is, or may reasonably be expected to be, a participant or principal in a covered transaction;
- (b) Respondent (a person against whom the Department of State has initiated a debarment or suspension action);
- (c) Department of State debarring or suspending official; or
- (d) Department of State official who is authorized to enter into covered transactions with non-Federal parties.

#### § 137.110 What is the purpose of the nonprocurement debarment and suspension system?

- (a) To protect the public interest, the Federal Government ensures the integrity of Federal programs by conducting business only with responsible persons.
- (b) A Federal agency uses the nonprocurement debarment and suspension system to exclude from Federal programs persons who are not presently responsible.
- (c) An exclusion is a serious action that a Federal agency may take only to protect the public interest. A Federal agency may not exclude a person or commodity for the purposes of punishment.

#### § 137.115 How does an exclusion restrict a person’s involvement in covered transactions?

With the exceptions stated in §§ 137.120, 137.315, and 137.420, a person who is excluded by the Department of State or any other Federal agency may not:

- (a) Be a participant in a Department of State transaction that is a covered transaction under subpart B of this part;
- (b) Be a participant in a transaction of any other Federal agency that is a covered transaction under that agency’s regulation for debarment and suspension; or
- (c) Act as a principal of a person participating in one of those covered transactions.

#### § 137.120 May we grant an exception to let an excluded person participate in a covered transaction?

- (a) The Procurement Executive may grant an exception permitting an excluded person to participate in a particular covered transaction. If the Procurement Executive grants an exception, the exception must be in writing and state the reason(s) for deviating from the governmentwide policy in Executive Order 12549.
- (b) An exception granted by one agency for an excluded person does not extend to the covered transactions of another agency.

#### § 137.125 Does an exclusion under the nonprocurement system affect a person’s eligibility for Federal procurement contracts?

If any Federal agency excludes a person under its nonprocurement common rule on or after August 25, 1995, the excluded person is also ineligible to participate in Federal procurement transactions under the FAR. Therefore, an exclusion under this part has reciprocal effect in Federal procurement transactions.

#### § 137.130 Does exclusion under the Federal procurement system affect a person’s eligibility to participate in nonprocurement transactions?

If any Federal agency excludes a person under the FAR on or after August

25, 1995, the excluded person is also ineligible to participate in nonprocurement covered transactions under this part. Therefore, an exclusion under the FAR has reciprocal effect in Federal nonprocurement transactions.

**§ 137.135 May the Department of State exclude a person who is not currently participating in a nonprocurement transaction?**

Given a cause that justifies an exclusion under this part, we may exclude any person who has been involved, is currently involved, or may reasonably be expected to be involved in a covered transaction.

**§ 137.140 How do I know if a person is excluded?**

Check the *Excluded Parties List System (EPLS)* to determine whether a person is excluded. The General Services Administration (GSA) maintains the *EPLS* and makes it available, as detailed in subpart E of this part. When a Federal agency takes an action to exclude a person under the nonprocurement or procurement debarment and suspension system, the agency enters the information about the excluded person into the *EPLS*.

**§ 137.145 Does this part address persons who are disqualified, as well as those who are excluded from nonprocurement transactions?**

Except if provided for in Subpart J of this part, this part—

(a) Addresses disqualified persons only to—

(1) Provide for their inclusion in the *EPLS*; and

(2) State responsibilities of Federal agencies and participants to check for disqualified persons before entering into covered transactions.

(b) Does not specify the—

(1) Department of State transactions for which a disqualified person is ineligible. Those transactions vary on a case-by-case basis, because they depend on the language of the specific statute, Executive order, or regulation that caused the disqualification;

(2) Entities to which the disqualification applies; or

(3) Process that the agency uses to disqualify a person. Unlike exclusion, disqualification is frequently not a dis-

cretionary action that a Federal agency takes.

**Subpart B—Covered Transactions**

**§ 137.200 What is a covered transaction?**

A covered transaction is a nonprocurement or procurement transaction that is subject to the prohibitions of this part. It may be a transaction at—

(a) The primary tier, between a Federal agency and a person (see appendix to this part); or

(b) A lower tier, between a participant in a covered transaction and another person.

**§ 137.205 Why is it important to know if a particular transaction is a covered transaction?**

The importance of a covered transaction depends upon who you are.

(a) As a participant in the transaction, you have the responsibilities laid out in Subpart C of this part. Those include responsibilities to the person or Federal agency at the next higher tier from whom you received the transaction, if any. They also include responsibilities if you subsequently enter into other covered transactions with persons at the next lower tier.

(b) As a Federal official who enters into a primary tier transaction, you have the responsibilities laid out in subpart D of this part.

(c) As an excluded person, you may not be a participant or principal in the transaction unless—

(1) The person who entered into the transaction with you allows you to continue your involvement in a transaction that predates your exclusion, as permitted under § 137.310 or § 137.415; or

(2) A Department of State official obtains an exception from the Procurement Executive to allow you to be involved in the transaction, as permitted under § 137.120.