

117TH CONGRESS  
2D SESSION

# H. R. 8782

To require disclosure by Department of Homeland Security contractors of contracts with Chinese entities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 2022

Mrs. HARSHBARGER (for herself, Mr. PFLUGER, and Mrs. MILLER-MEEKS) introduced the following bill; which was referred to the Committee on Homeland Security

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## A BILL

To require disclosure by Department of Homeland Security contractors of contracts with Chinese entities, 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 “Protecting Our Home-  
5 land from Chinese Espionage Act”.

1 **SEC. 2. REQUIREMENT FOR DEPARTMENT OF HOMELAND**  
2 **SECURITY CONTRACTORS TO DISCLOSE CON-**  
3 **TRACTS AND TIES WITH PEOPLE'S REPUBLIC**  
4 **OF CHINA ENTITIES.**

5 (a) REQUIREMENT.—

6 (1) INITIAL DISCLOSURE.—

7 (A) IN GENERAL.—Not later than 12  
8 months after the date of the enactment of this  
9 Act, the Secretary of Homeland Security shall  
10 amend the Homeland Security Acquisition Reg-  
11 ulation to require that a contractor with the  
12 Department of Homeland Security shall, as a  
13 condition of being awarded a contract for the  
14 procurement of goods or services, disclose to the  
15 Department covered information related to any  
16 contracts or other relevant commercial ties with  
17 a covered entity such contractor, including the  
18 immediate owner of such contractor, the high-  
19 est-level owner of such contractor, and all first  
20 tier subcontractors of such contractor with re-  
21 spect to the contract to be awarded—

22 (i) has that are in effect at the time  
23 of contract award;

24 (ii) has had within the three years im-  
25 mediately preceding such time of contract  
26 award; and

1 (iii) enters into at any time during the  
2 period of such contract award.

3 (B) NOTIFICATION.—The Secretary of  
4 Homeland Security shall notify the Committee  
5 on Homeland Security and Governmental Af-  
6 fairs of the Senate and the Committee on  
7 Homeland Security of the House of Representa-  
8 tives of disclosures described in subparagraph  
9 (A).

10 (2) UPDATED DISCLOSURES.—

11 (A) NEW OR RENEWAL.—A contractor  
12 awarded a contract with the Department of  
13 Homeland Security in accordance with the  
14 amended Homeland Security Acquisition Regu-  
15 lation pursuant to paragraph (1) shall update  
16 disclosures made to the Department in accord-  
17 ance with such paragraph not later than 30  
18 days after such contractor, including the imme-  
19 diate owner of such contractor, the highest-level  
20 owner of such contractor, and all first tier sub-  
21 contractors of such contractor with respect to  
22 such contract, enters into or renews a contract  
23 with a covered entity.

24 (B) ANNUAL.—A contractor awarded a  
25 contract with the Department of Homeland Se-

1 security in accordance with the amended Home-  
2 land Security Acquisition Regulation pursuant  
3 to paragraph (1) shall annually update disclo-  
4 sures made to the Department in accordance  
5 with such paragraph.

6 (C) NOTIFICATION.—The Secretary of  
7 Homeland Security shall notify the Committee  
8 on Homeland Security and Governmental Af-  
9 fairs of the Senate and the Committee on  
10 Homeland Security of the House of Representa-  
11 tives of updated disclosures under subpara-  
12 graphs (A) and (B).

13 (3) EXCEPTIONS.—Disclosure and notification  
14 requirements under this section shall not apply in  
15 the case of any of the following:

16 (A) If the procurement that is the subject  
17 of the contract at issue is in an amount at or  
18 below the simplified acquisition threshold, as  
19 that term is defined under section 134 of title  
20 41, United States Code, and adjusted for infla-  
21 tion under section 1908 of such title.

22 (B) Any supply or service contract the Sec-  
23 retary of Homeland Security, in consultation  
24 with the Chief Acquisition Officer, Chief Pro-  
25 curement Officer, and Chief Security Officer of

1 the Department of Homeland Security, deter-  
2 mines to be low risk.

3 (C) If the procurement that is the subject  
4 of the contract at issue is already under inves-  
5 tigation by the Department of Homeland Secu-  
6 rity or another United States Government agen-  
7 cy and with respect to which such a disclosure  
8 or notification would compromise the integrity  
9 of such investigation.

10 (b) DATABASE OF FEDERAL CONTRACTOR CON-  
11 TRACTS WITH COVERED ENTITIES.—

12 (1) IN GENERAL.—Not later than 180 days  
13 after the date of the enactment of this Act, the Sec-  
14 retary of Homeland Security shall establish a public  
15 database containing the information concerning con-  
16 tracts with covered entities disclosed pursuant to  
17 subsection (a). Upon the termination or completion  
18 of such a contract, the contractor with respect to  
19 such a contract, including the immediate owner of  
20 such contractor, the highest-level owner of such con-  
21 tractor, and all first-tier subcontractors of such con-  
22 tractor, shall be eligible for removal from such public  
23 database.

24 (2) EXCEPTION.—Paragraph (1) shall not  
25 apply in the case of contracts with respect to which

1 compliance with such paragraph would compromise  
2 national security or if information otherwise subject  
3 to disclosure is classified pursuant to Executive  
4 Order 13526.

5 (c) AUTHORITY TO WITHHOLD OR TERMINATE CON-  
6 TRACTS.—The Secretary of Homeland Security shall ter-  
7minate an existing contract if the Secretary determines  
8 based on a disclosure made by the contractor, the imme-  
9diate owner of such contractor, the highest-level owner of  
10 such contractor, or a first-tier subcontractor of such con-  
11 tractor, that continuation of such contract violates Federal  
12 law or is not in the public’s interest.

13 (d) SUSPENSION AND DEBARMENT.—Based on infor-  
14 mation disclosed pursuant to this section, the Secretary  
15 of Homeland Security may refer a contractor, the imme-  
16diate owner of such contractor, the highest-level owner of  
17 such contractor, or a first-tier subcontractor of such con-  
18 tractor, as appropriate, to the Suspension and Debarment  
19 official of the Department of Homeland Security for sus-  
20 pension or debarment, to initiate a suspension or debar-  
21 ment proceeding, as such official determines appropriate.

22 (e) DEFINITIONS.—In this section:

23 (1) COVERED ENTITY.—The term “covered en-  
24 tity” means—

1 (A) the Government of the People's Repub-  
2 lic of China;

3 (B) the Chinese Communist Party (CCP);

4 (C) the Chinese military;

5 (D) an entity owned, directed, controlled,  
6 financed, or influenced directly or indirectly,  
7 through separate contracts or otherwise, by the  
8 Government of the People's Republic of China,  
9 the CCP, or the Chinese military, in which the  
10 Government of the People's Republic of China,  
11 the CCP, or the Chinese military has majority  
12 ownership or control or has minority ownership  
13 greater than ten percent of such entity, includ-  
14 ing any entity for which the Government of the  
15 People's Republic of China, the CCP, or the  
16 Chinese military has the ability, through owner-  
17 ship of a majority or a dominant minority of  
18 the total outstanding voting interest in an enti-  
19 ty, board representation, proxy voting, a special  
20 share, contractual arrangements, formal or in-  
21 formal arrangements to act in concert, or other  
22 means, to determine, direct, or decide for an  
23 entity an important matter;

24 (E) a parent, subsidiary, or affiliate of an  
25 entity described in subparagraph (D); and

1 (F) an China-based entity with a majority  
2 ownership or control or with minority ownership  
3 greater than ten percent by a covered entity,  
4 substantively involved in People’s Republic of  
5 China economic or industrial policies or mili-  
6 tary-civil fusion, including by accepting funding,  
7 performing services, or receiving subsidies, or  
8 with responsibilities for overseeing economic de-  
9 velopment projects, including Made in China  
10 2025 and the Belt and Road Initiative.

11 (2) COVERED INFORMATION.—The term “cov-  
12 ered information” means information relating to—

13 (A) the name of the covered entity;

14 (B) the extent to which the covered entity  
15 has the ability to act in concert or to determine,  
16 direct, or decide an important matter for a con-  
17 tractor, including the immediate owner of such  
18 contractor, the highest-level owner of such con-  
19 tractor, and all first tier subcontractors of such  
20 contractor under the awarded contract, through  
21 ownership of a majority or a dominant minority  
22 of the total outstanding voting interest, board  
23 representation, proxy voting, special interest  
24 share, contractual arrangements, or other for-  
25 mal or informal arrangements;



1 (C) the date such contract was entered  
2 into; and

3 (D) the duration, including any extensions,  
4 of such contract.

5 (3) IMMEDIATE OWNER.—The term “immediate  
6 owner” means an entity, other than a contractor,  
7 that has direct control of the contractor, including  
8 through one or more of the following:

9 (A) Ownership or interlocking manage-  
10 ment.

11 (B) Identity of interests among family  
12 members.

13 (C) Shared facilities and equipment.

14 (D) Common use of employees.

15 (4) HIGHEST-LEVEL OWNER.—The term “high-  
16 est-level owner” means an entity that owns or con-  
17 trols an immediate owner of a contractor, or that  
18 owns or controls one or more entities that control an  
19 immediate owner of a contractor, and that is not  
20 owned or controlled by any other entity.

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