



Executive Order Requires New Labor Disclosures

News

8.04.14

Cheryl Behymer was quoted in the August 4, 2014 *Corporate Counsel* article "Executive Order Requires New Labor Disclosures."

The article discusses the "Fair Pay and Safe Workplaces Executive Order," signed by the president on July 31. The order requires most federal contractors to disclose new facts about labor law violations, and will prevent mandatory arbitration for many employees in certain types of legal disputes, thus creating more potential work for legal departments and more potential litigation.

The executive order, which will govern new federal procurement contracts valued at more than \$500,000 beginning in 2016, requires that companies in the running for these contracts—as well as many subcontractors—hand over the last three years' worth of information on any labor law violations. Contractors will have to disclose whether they've incurred a violation (defined as an administrative merits determination, arbitral award or decision, or civil judgment) under any of 14 listed statutes or corresponding state laws. The labor statutes range from those dealing with wage-and-hour issues to workplace civil rights issues to collective bargaining and health and safety. Those contractors with enough violations might lose out on opportunities to work for the federal government.

According to the order, all of the information gathered about contractors will be put into a single online database. Cheryl told CorpCounsel.com this database could potentially serve as a "one-stop shop" for plaintiffs or unions looking for companies where employees believe they've been wronged. The order does not state directly whether this database will be publicly available.

What is certain is that there will be plenty of work for federal contractors to do in order to prepare for the new reporting requirements, which may involve centralization of disparate information. "It would be wise to start thinking about internally who is going to be the person you are going to have monitor compliance with this requirement, because there's a lot of overlap," said Cheryl. It will probably take collaboration from several departments, possibly information technology, compliance, legal and procurement, to make sure that federal contractors gather and send the right information and remember to submit for their biannual checkups, she added.

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