



## U.S. ABILITYONE COMMISSION

**Procedure 51.540-01**  
**Effective Date: 3/10/2026**

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### **TITLE: AbilityOne Authorized Commercial Distributor Program Noncompliance Procedures**

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#### **1. PURPOSE.**

This document provides the U.S. AbilityOne Commission's (Commission) procedures for noncompliance with Commission Policy 51.540 for the Authorized Commercial Distributor Program (CDP) within the AbilityOne Program (Program).

#### **2. APPLICABILITY.**

These procedures apply to the Commission, NIB, AbilityOne participating nonprofit agencies (NPAs) with products in commercial distribution channels, and AbilityOne authorized commercial distributors.

#### **3. AUTHORITY.**

- (a) 41 U.S.C. §§ 8501 - 8506, Javits-Wagner-O'Day (JWOD) Act
- (b) 41 CFR Chapter 51, Committee for Purchase From People Who Are Blind or Severely Disabled

#### **4. DEFINITIONS AND ACRONYMS.**

Definitions, abbreviations, and acronyms frequently used throughout the Commission's policy system are provided in Policy 51.102, Definitions of Terms. Definitions for terms unique to authorized commercial distributor policies and this implementing procedure appear in Commission Policy 51.540.

#### **5. RESPONSIBILITIES.** See Commission Policy 51.540.

#### **6. POLICY REFERENCE.** See Commission Policy 51.540.

These procedures will be followed in accordance with U.S. AbilityOne Commission Policy 51.540, AbilityOne Authorized Commercial Distributor Program Requirements.

#### **7. PROCEDURES.**

- (a) **Noncompliance Resulting in Immediate Probation.**
  - i. In accordance with Commission Policy 51.540, an AbilityOne authorized commercial distributor will be placed on immediate probation for the following reasons:
    - a. If, upon request by NIB or the Commission, the authorized commercial distributor fails to demonstrate blocking and



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substituting capability, the distributor will be placed on an automatic one-year probation.

- b. Failure to incorporate new products into schedule or contract vehicle(s) (or to demonstrate prompt submission of a contract modification request to do so) within 45 days of effective date of issuance.

#### **(b) Determination of Noncompliance.**

- i. Within 10 business days of the receipt of a report of alleged noncompliance, NIB will review the facts supporting the report and notify the AbilityOne authorized commercial distributor of a proposed finding of noncompliance, if warranted.
  - a. NIB does not act on unsubstantiated reports and must be able to validate the factual information submitted.
  - b. Government records or data, or distributor records showing the sale of a product or product(s) on the ETS file are patent evidence of noncompliance, but other acceptable evidence may also indicate noncompliance.
  - c. Offering an ETS product by listing, picturing, or stocking it on a government ecommerce site or at a government-only retail operation is also considered valid evidence of noncompliance.
- ii. If a proposed finding of noncompliance is made, NIB will notify the authorized commercial distributor in writing of the exact nature of the noncompliance and allow it 10 business days to dispute the information or submit valid, factual, documented evidence why the reported activity should not be considered noncompliance with Commission Policy 51.540 and its signed authorization agreement.
- iii. If the authorized commercial distributor does not timely dispute the proposed finding of noncompliance, or fails to respond in the prescribed period, NIB will follow the procedures in section 7(b)iv.b. through section 7(b)iv.d. below to implement corrective action or recommend to the Commission that the violating distributor should be deauthorized and have its distributor agreement terminated.
- iv. If the authorized commercial distributor responds and disagrees with the proposed finding of noncompliance, NIB will review the documented evidence as to why the distributor asserts the reported activity should not be considered noncompliance, and determine compliance or noncompliance.
  - a. If NIB determines that the authorized commercial distributor was compliant, it will document this finding and notify the distributor in writing. Any incorrect or disputed information, such as a challenged “essentially the same” product finding, will be documented in

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writing and incorporated into the AbilityOne ETS files.

- b. If NIB determines that the authorized commercial distributor was noncompliant, procedures in section 7(c) through (e) below will be followed.

**(c) First Incidence of Noncompliance.**

- i. NIB will notify the authorized commercial distributor in writing of its determination of noncompliance and rationale.
- ii. The authorized commercial distributor will be afforded 10 business days to take corrective action, such as contract modification, and/or stop shipment of the ETS product and ship the correct AbilityOne product, and to notify NIB of that action.
- iii. If the authorized commercial distributor fails to respond or initiate corrective action within 10 business days, NIB will consider it to be a second incidence of noncompliance as discussed in section 7(d) below.

**(d) Second Incidence of Noncompliance Within a 12-Month Period.**

- i. A second determination of noncompliance, or failure to demonstrate timely correction of the first instance, will result in probation status for one year from the date of the second violation issuance.
- ii. NIB will notify the violating distributor in writing of its probation status and the rationale, with a copy to the appropriate contracting officer or contract specialist for any federal supply contract or schedule held by that distributor.
- iii. The violating distributor will be afforded 10 business days to take corrective action and notify NIB of that action, with a copy to the appropriate contracting officer or specialist. If the noncompliance included the sale and shipment of an ETS product, the violating distributor must remedy the situation by replacing the shipment with the appropriate AbilityOne product at the violating distributor's expense.

**(e) Third Incidence of Noncompliance Within a 12-Month Period.**

- i. Upon a determination of noncompliance while a violating distributor is on probation, or failure to demonstrate timely correction of the previous instances of noncompliance, NIB shall recommend to the Commission that the distributor be deauthorized.

**(f) Review of Corrective Actions.**

- i. The AbilityOne authorized commercial distributor has the burden to prove to NIB that it has taken any and all corrective actions agreed upon or determined by NIB to be required in order to remedy the violation.

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- ii. If NIB determines that the corrective action reported was not sufficient to address the noncompliance, or was not actually achieved, NIB will notify the violating distributor in writing and proceed with actions pursuant to subsection (d), (e) or (g) of this procedure.

#### **(g) Deauthorization Process.**

- i. The Commission will notify the violating distributor in writing of deauthorization, with an effective date 30 days later, and with a copy to the appropriate contracting officer or specialist for any federal supply contract or schedule held by that violating distributor, and a copy to the AbilityOne approved wholesalers.
- ii. The violating distributor will be afforded those 30 business days to sell through or return any AbilityOne products it may have in its inventory, as well as to discontinue and remove all use of the AbilityOne name, logo or marketing material or for any other authorized AbilityOne product line for Federal and commercial sales channels.

#### **(h) Exceptions.**

- i. The Commission may proceed directly to deauthorization if concurrent, multiple, repeated, and/or egregious noncompliance is determined.
- ii. NIB may determine that extenuating circumstances warrant a warning to a distributor in lieu of taking other actions.
- iii. The Commission, in consultation with the Office of General Counsel, may take into consideration a distributor's overall performance and compliance with AbilityOne ETS requirements at any time when making determinations outlined above.
- iv. Any such exceptions will be justified in writing and made solely at the discretion of the Commission's Deputy Executive Director.

#### **(i) Violation or Deauthorization Dispute.**

- i. If there is a disagreement between NIB and the distributor regarding a violation, that disagreement should be noted in the record. After review, NIB may still make the determination that it is a violation. However, upon a NIB recommendation to deauthorize, both NIB's notice and the response from the distributor must be considered by the Commission.
- ii. During the 30-day period between notification of deauthorization and the effective date, the violating distributor may also submit a written rebuttal of the deauthorization to the Commission's Deputy Executive Director (or designee).
- iii. The written deauthorization rebuttal must be received before the effective date listed in the deauthorization letter and may be sent in print or electronic format.

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iv. The deauthorization rebuttal must provide a valid, factual basis to warrant reconsideration and possible rescission of the deauthorization decision.

**(j) Reauthorization.**

i. The Commission and NIB will not consider any applications for reauthorization of violating distributors for a period of one year after deauthorization has occurred.

**8. EXCEPTIONS.**

No exceptions to these procedures are permitted without written approval from the Executive Director.

**9. SUPERSESSSION.**

None.



APPROVED: \_\_\_\_\_ Date: \_\_\_\_\_

Kimberly M. Zeich  
Executive Director