

## 52.203-3 Gratuities.

As prescribed in [3.202](#) , insert the following clause:

Gratuities (Apr 1984)

(a) The right of the Contractor to proceed *may* be terminated by written notice if, after notice and hearing, the *agency head* or a designee determines that the Contractor, its agent, or another representative-

(1) Offered or gave a gratuity (*e.g.*, an entertainment or gift) to an officer, official, or employee of the Government; and

(2) Intended, by the gratuity, to obtain a contract or favorable treatment under a contract.

(b) The facts supporting this determination *may* be reviewed by any court having lawful jurisdiction.

(c) If this contract is terminated under paragraph (a) of this clause, the Government is entitled-

(1) To pursue the same remedies as in a breach of the contract; and

(2) In addition to any other damages provided by law, to exemplary damages of not less than 3 nor more than 10 times the cost incurred by the Contractor in giving gratuities to the person concerned, as determined by the *agency head* or a designee. (This paragraph (c)(2) is applicable only if this contract uses money appropriated to the Department of Defense.)

(d) The rights and remedies of the Government provided in this clause *shall* not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

(End of clause)

**Parent topic:** [52.203](#) [Reserved]