

3.405 Misrepresentations or violations of the Covenant Against Contingent Fees.

(a) Government personnel who suspect or have evidence of attempted or actual exercise of *improper influence*, misrepresentation of a *contingent fee* arrangement, or other violation of the Covenant Against *Contingent Fees* shall report the matter promptly to the *contracting officer* or appropriate higher authority in accordance with agency procedures.

(b) When there is specific evidence or other reasonable basis to suspect one or more of the violations in paragraph (a) of this section, the chief of the *contracting office* shall review the facts and, if appropriate, take or direct one or more of the following, or other, actions:

(1) If before award, reject the bid or proposal.

(2) If after award, enforce the Government's right to annul the contract or to recover the fee.

(3) Initiate *suspension* or *debarment* action under [subpart 9.4](#).

(4) Refer suspected fraudulent or criminal matters to the Department of Justice, as prescribed in agency regulations.

Parent topic: [Subpart 3.4 - Contingent Fees](#)