52.203-7 Anti-Kickback Procedures.

As prescribed in 3.502-3 , insert the following clause:

Anti-*Kickback* Procedures (Jun 2020)

(a) *Definitions*.

Kickback, as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided to any *prime Contractor*, *prime Contractor* employee, *subcontractor*, or *subcontractor employee* for the purpose of improperly obtaining or rewarding favorable treatment in connection with a *prime contract* or in connection with a *subcontract* relating to a *prime contract*.

Person, as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

Prime contract, as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining *supplies*, materials, equipment, or services of any kind.

Prime Contractor as used in this clause, means a *person* who has entered into a prime contract with the *United States*.

Prime Contractor employee, as used in this clause, means any officer, partner, employee, or agent of a *prime Contractor*.

Subcontract, as used in this clause, means a contract or contractual action entered into by a *prime Contractor* or *subcontractor* for the purpose of obtaining *supplies*, materials, equipment, or services of any kind under a *prime contract*.

Subcontractor, as used in this clause, (1) means any *person*, other than the *prime Contractor*, who *offers* to furnish or furnishes any *supplies*, materials, equipment, or services of any kind under a *prime contract* or a *subcontract* entered into in connection with such *prime contract*, and (2) includes any *person* who *offers* to furnish or furnishes general *supplies* to the *prime Contractor* or a higher tier *subcontractor*.

Subcontractor employee, as used in this clause, means any officer, partner, employee, or agent of a *subcontractor*.

(b) 41 U.S.C. chapter 87, *Kickbacks*, prohibits any *person* from-

(1) Providing or attempting to provide or offering to provide any *kickback;*

(2) Soliciting, accepting, or attempting to accept any *kickback*; or

(3) Including, directly or indirectly, the amount of any *kickback* in the contract price charged by a *prime Contractor* to the *United States* or in the contract price charged by a *subcontractor* to a *prime Contractor* or higher tier *subcontractor*.

(c)

(1) The Contractor *shall* have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

(2) When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause *may* have occurred, the Contractor *shall* promptly report *in writing* the possible violation. Such reports *shall* be made to the inspector general of the *contracting* agency, the head of the *contracting* agency if the agency does not have an inspector general, or the Attorney General.

(3) The Contractor *shall* cooperate fully with any *Federal agency* investigating a possible violation described in paragraph (b) of this clause.

(4) The *Contracting* Officer *may* (i) offset the amount of the *kickback* against any monies owed by the *United States* under the *prime contract* and/or (ii) direct that the *Prime Contractor* withhold from sums owed a *subcontractor* under the *prime contract* the amount of the *kickback*. The *Contracting* Officer *may* order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the *Prime Contractor shall* notify the *Contracting* Officer when the monies are withheld.

(5) The Contractor agrees to incorporate the substance of this clause, including this paragraph (c)(5) but excepting paragraph (c)(1) of this clause, in all *subcontracts* under this contract that exceed the threshold specified in Federal *Acquisition* Regulation 3.502-2(i) on the date of *subcontract* award.

(End of clause)

Parent topic: 52.203 [Reserved]