

(2) qualified nonprofit agencies for the blind and qualified nonprofit agencies for other severely disabled that have sold products or services under this chapter to the extent those books, documents, papers, and other records relate to the activities of the agency in a fiscal year in which a sale was made under this chapter.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3838.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 8505, 41:48a, June 25, 1938, ch. 697, §4, 52 Stat. 1196; Pub. L. 92-28, §1, June 23, 1971, 85 Stat. 81.

In this section, before paragraph (1), the words "or any of his duly authorized representatives" are omitted because of 31:711(2). In paragraph (1), the words "central nonprofit" are added for clarity.

§ 8506. Authorization of appropriations

Necessary amounts may be appropriated to the Committee to carry out this chapter.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3838.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 8506, 41:48c, June 25, 1938, ch. 697, §6, 52 Stat. 1196; Pub. L. 92-28, §1, June 23, 1971, 85 Stat. 82; Pub. L. 93-76, July 30, 1973, 87 Stat. 176; Pub. L. 93-358, §1(4), July 25, 1974, 88 Stat. 393.

The reference to the fiscal year ending June 30, 1974 is omitted as obsolete.

CHAPTER 87—KICKBACKS

- Sec. 8701. Definitions. 8702. Prohibited conduct. 8703. Contractor responsibilities. 8704. Inspection authority. 8705. Administrative offsets. 8706. Civil actions. 8707. Criminal penalties.

§ 8701. Definitions

In this chapter:

(1) CONTRACTING AGENCY.—The term "contracting agency", when used with respect to a prime contractor, means a department, agency, or establishment of the Federal Government that enters into a prime contract with a prime contractor.

(2) KICKBACK.—The term "kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided to a prime contractor, prime contractor employee, subcontractor, or subcontractor employee to improperly obtain or reward favorable treatment in connection with a prime contract or a subcontract relating to a prime contract.

(3) PERSON.—The term "person" means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

(4) PRIME CONTRACT.—The term "prime contract" means a contract or contractual action entered into by the Federal Government to obtain supplies, materials, equipment, or services of any kind.

(5) PRIME CONTRACTOR.—The term "prime contractor" means a person that has entered into a prime contract with the Federal Government.

(6) PRIME CONTRACTOR EMPLOYEE.—The term "prime contractor employee" means an officer, partner, employee, or agent of a prime contractor.

(7) SUBCONTRACT.—The term "subcontract" means a contract or contractual action entered into by a prime contractor or subcontractor to obtain supplies, materials, equipment, or services of any kind under a prime contract.

(8) SUBCONTRACTOR.—The term "subcontractor"—

(A) means a person, other than the prime contractor, that offers to furnish or furnishes supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with the prime contract; and

(B) includes a person that offers to furnish or furnishes general supplies to the prime contractor or a higher tier subcontractor.

(9) SUBCONTRACTOR EMPLOYEE.—The term "subcontractor employee" means an officer, partner, employee, or agent of a subcontractor.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3838.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 8701, 41:52, Mar. 8, 1946, ch. 80, §2, 60 Stat. 37; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3523.

In this section, the text of 41:52(3) is omitted because of the definition of "person" in 1:1.

In paragraph (2), the words "directly or indirectly" are omitted as unnecessary.

SENATE REVISION AMENDMENT

Senate amendment 4726 (111th Cong.) added par. (3) and redesignated former pars. (3) to (8) as (4) to (9), respectively. See 156 Cong. Rec. 18683 (2010).

§ 8702. Prohibited conduct

A person may not—

(1) provide, attempt to provide, or offer to provide a kickback;

(2) solicit, accept, or attempt to accept a kickback; or

(3) include the amount of a kickback prohibited by paragraph (1) or (2) in the contract price—

(A) a subcontractor charges a prime contractor or a higher tier subcontractor; or

(B) a prime contractor charges the Federal Government.

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3839.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
8702 .....	41:53.	Mar. 8, 1946, ch. 80, § 3, 60 Stat. 37; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3524.

In paragraph (3), before subparagraph (A), the words “directly or indirectly” are omitted as unnecessary.

§ 8703. Contractor responsibilities

(a) REQUIREMENTS INCLUDED IN CONTRACTS.—Each contracting agency shall include in each prime contract awarded by the agency a requirement that the prime contractor shall—

(1) have in place and follow reasonable procedures designed to prevent and detect violations of section 8702 of this title in its own operations and direct business relationships; and

(2) cooperate fully with a Federal Government agency investigating a violation of section 8702 of this title.

(b) FULL COOPERATION REQUIRED.—Notwithstanding subsection (d), a prime contractor shall cooperate fully with a Federal Government agency investigating a violation of section 8702 of this title.

(c) REPORTING REQUIREMENT.—

(1) IN GENERAL.—A prime contractor or subcontractor that has reasonable grounds to believe that a violation of section 8702 of this title may have occurred shall promptly report the possible violation in writing 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.

(2) SUPPLYING INFORMATION AS FAVORABLE EVIDENCE.—In an administrative or contractual action to suspend or debar a person who is eligible to enter into contracts with the Federal Government, evidence that the person has supplied information to the Federal Government pursuant to paragraph (1) is favorable evidence of the person’s responsibility for the purposes of Federal procurement laws and regulations.

(d) INAPPLICABILITY TO CERTAIN PRIME CONTRACTS.—Subsection (a) does not apply to a prime contract—

- (1) that is not greater than \$100,000; or
- (2) for the acquisition of commercial products or commercial services (as defined in sections 103 and 103a, respectively, of this title).

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3839; Pub. L. 115-232, div. A, title VIII, §836(b)(20), Aug. 13, 2018, 132 Stat. 1864.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
8703(a) .....	41:57(a), (b).	Mar. 8, 1946, ch. 80, § 7, 60 Stat. 37; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3525; Pub. L. 103-355, title IV, §4104(a), title VIII, §8301(c)(1), Oct. 13, 1994, 108 Stat. 3341, 3397; Pub. L. 104-106, div. D, title XLIII, §4321(g), Feb. 10, 1996, 110 Stat. 675.

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
8703(b) .....	41:57(e).	
8703(c) .....	41:57(c).	
8703(d) .....	41:57(d).	

In subsection (c)(1), the words “Attorney General” are substituted for “Department of Justice” because of 28:503.

AMENDMENTS

2018—Subsec. (d)(2). Pub. L. 115-232 substituted “commercial products or commercial services (as defined in sections 103 and 103a, respectively, of this title)” for “commercial items (as defined in section 103 of this title)”.

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Jan. 1, 2020, subject to a savings provision, see section 836(h) of Pub. L. 115-232, set out as an Effective Date of 2018 Amendment; Savings Provision note under section 453b of Title 6, Domestic Security.

§ 8704. Inspection authority

(a) IN GENERAL.—To ascertain whether there has been a violation of section 8702 of this title with respect to a prime contract, the Comptroller General and the inspector general of the contracting agency, or a representative of the contracting agency designated by the head of the agency if the agency does not have an inspector general, shall have access to and may inspect the facilities and audit the books and records, including electronic data or records, of a prime contractor or subcontractor under a prime contract awarded by the agency.

(b) EXCEPTION.—This section does not apply to a prime contract for the acquisition of commercial products or commercial services (as defined in sections 103 and 103a, respectively, of this title).

(Pub. L. 111-350, §3, Jan. 4, 2011, 124 Stat. 3839; Pub. L. 115-232, div. A, title VIII, §836(b)(20), Aug. 13, 2018, 132 Stat. 1864.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
8704 .....	41:58.	Mar. 8, 1946, ch. 80, § 8, 60 Stat. 37; Pub. L. 86-695, Sept. 2, 1960, 74 Stat. 740; Pub. L. 99-634, §2(a), Nov. 7, 1986, 100 Stat. 3525; Pub. L. 103-355, title VIII, §8301(c)(2), Oct. 13, 1994, 108 Stat. 3397.

In subsection (a), the words “Comptroller General” are substituted for “General Accounting Office” because of 31:702.

AMENDMENTS

2018—Subsec. (b). Pub. L. 115-232 substituted “commercial products or commercial services (as defined in sections 103 and 103a, respectively, of this title)” for “commercial items (as defined in section 103 of this title)”.

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Jan. 1, 2020, subject to a savings provision, see section 836(h) of Pub. L. 115-232, set out as an Effective Date of 2018 Amendment; Savings Provision note under section 453b of Title 6, Domestic Security.