

**PART 803—IMPROPER BUSINESS PRACTICES AND PERSONAL
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Part 803 Improper Business Practices and Personal Conflicts of Interest

**PART 803 - IMPROPER BUSINESS PRACTICES AND PERSONAL
CONFLICTS OF INTEREST**

SUBPART 803.1 - SAFEGUARDS

803.101 Standards of conduct.

803.101-3 Department regulations.

(a) Standards of conduct for all VA employees, including contracting officials, are found in 38 CFR part 0.

(b) Requirements for employee financial disclosure are contained in 38 CFR part 0, subpart B. Generally contracting officers and all supervisory contracting officials must file financial disclosure statements.

**SUBPART 803.2 - CONTRACTOR GRATUITIES TO GOVERNMENT
PERSONNEL**

803.203 Reporting suspected violations of the Gratuities clause.

(a) Suspected violations of the Gratuities Clause will be reported to the head of the contracting activity through the contracting officer. The head of the contracting activity will confirm that violations are evident and that reporting these violations to officials designated in paragraph (b) would be warranted.

(b) When violations of the Gratuities Clause warrant actions described in FAR 3.204(c) the head of the contracting activity will request instructions from the VA General Counsel (025) through the Deputy Assistant Secretary for Acquisition and Materiel Management.

SUBPART 803.3 - REPORTS OF SUSPECTED ANTITRUST VIOLATIONS

803.303 Reporting suspected antitrust violations.

Instances of possible antitrust violations will be reported by procurement activities in accordance with FAR 3.303 to the Deputy Assistant Secretary for Acquisition and Materiel Management for review and submission to the General Counsel, who will determine whether or not to submit the case to the Attorney General.

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SUBPART 803.4 - CONTINGENT FEES

803.405 Misrepresentations or violations of the Covenant Against Contingent Fees.

Before taking any administrative action the heads of the contracting activity shall consult with their respective VA District Counsels. Contracting officers in Central Office shall consult with the Office of the General Counsel.

SUBPART 803.5 - OTHER IMPROPER BUSINESS PRACTICES

803.502 Subcontractor kickbacks.

Suspected violations of the Anti-kickback Act will be reported to the Office of the General Counsel.

SUBPART 803.70 - CONTRACTOR RESPONSIBILITY TO AVOID IMPROPER BUSINESS PRACTICES

803.7000 Policy.

It is Department of Veterans Affairs' (VA) policy to contract with companies that conduct business with the highest degree of integrity and honesty. To demonstrate this commitment to integrity and honesty, contractors should have standards of conduct and internal control systems that are designed to promote such standards, to facilitate the timely discovery and disclosure of improper conduct in connection with Government contracts, and to assure that corrective measures are promptly instituted and carried out. For example, a contractors system of management controls should provide for—

- (a) A written code of business ethics and standards of conduct and an ethics training program for all employees;
- (b) A mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;
- (c) Disciplinary action for improper conduct;
- (d) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with standards of conduct and the special requirements of Government contracting;

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- (e) Internal and/or external audits as appropriate;
- (f) Timely reporting to appropriate Government officials of any suspected or possible violations of law in connection with Government contracts or any other irregularities in connection with such contracts; and
- (g) Full cooperation with any Government agencies responsible for either investigation or corrective actions.

803.7001 Display of VA hotline poster.

Contractors who are awarded a VA contract of—

- (a) \$500,000 or more for supplies or services, or
- (b) \$3 million or more for construction, and who have not established an internal reporting mechanism and program, as described in 803.7000(b), shall be required to display prominently in common work areas within business segments performing work under VA contracts, the VA hotline poster prepared by the VA Office of Inspector General.

803.7002 Contract clause.

The contracting officer shall insert the clause at 852.203-71, Display of VA hotline poster, in solicitations and contracts expected to equal or exceed the dollar thresholds established in 803.7001.

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