

Subpart 3.10—Contractor Code of Business Ethics and Conduct

3.1000 Scope of subpart.

This subpart prescribes policies and procedures for the establishment of contractor codes of business ethics and conduct, and display of agency Office of Inspector General (OIG) fraud hotline posters.

3.1001 Definitions.

“United States,” as used in this subpart, means the 50 States, the District of Columbia, and outlying areas.

3.1002 Policy.

(a) Government contractors must conduct themselves with the highest degree of integrity and honesty.

(b) Contractors should have a written code of business ethics and conduct. To promote compliance with such code of business ethics and conduct, contractors should have an employee business ethics and compliance training program and an internal control system that—

(1) Are suitable to the size of the company and extent of its involvement in Government contracting;

(2) Facilitate timely discovery and disclosure of improper conduct in connection with Government contracts;

and

(3) Ensure corrective measures are promptly instituted and carried out.

3.1003 Mandatory requirements.

(a) *Requirements.* Although the policy in section 3.1002 applies as guidance to all Government contractors, the contractual requirements set forth in the clauses at [52.203-13](#), Code of Business Ethics and Conduct, and [52.203-14](#), Display of Hotline Poster(s), are mandatory if the contracts meet the conditions specified in the clause prescriptions at [3.1004](#).

(b) *Fraud Hotline Poster.*

(1) Agency OIGs are responsible for determining the need for, and content of, their respective agency OIG fraud hotline poster(s).

(2) When requested by the Department of Homeland Security, agencies shall ensure that contracts funded with disaster assistance funds require display of any fraud hotline poster applicable to the specific contract. As established by the agency OIG, such posters may be displayed in lieu of, or in addition to, the agency’s standard poster.

3.1004 Contract clauses.

Unless the contract is for the acquisition of a commercial item under [Part 12](#) or will be performed entirely outside the United States—

(a) Insert the clause at FAR [52.203-13](#), Contractor Code of Business Ethics and Conduct, in solicitations and contracts if the value of the contract is expected to exceed \$5,000,000 and the performance period is 120 days or more.

(b)(1) Insert the clause at FAR [52.203-14](#), Display of Hotline Poster(s), if—

(i) The contract exceeds \$5,000,000 or a lesser amount established by the agency; and

(ii)(A) The agency has a fraud hotline poster; or

(B) The contract is funded with disaster assistance funds.

(2) In paragraph (b)(3) of the clause, the contracting officer shall—

(i) Identify the applicable posters; and

(ii) Insert the website link(s) or other contact information for obtaining the agency and/or Department of Homeland Security poster.

(3) In paragraph (d) of the clause, if the agency has established policies and procedures for display of the OIG fraud hotline poster at a lesser amount, the contracting officer shall replace “\$5,000,000” with the lesser amount that the agency has established.

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