

# 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity.

As prescribed in [3.104-9\(a\)](#), insert the following clause:

Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (*May 2014*)

(a) If the Government receives information that a contractor or a person has violated [41 U.S.C.2102-2104](#), Restrictions on Obtaining and Disclosing Certain Information, the Government *may-*

(1) Cancel the *solicitation*, if the contract has not yet been awarded or issued; or

(2) Rescind the contract with respect to which-

(i) The Contractor or someone acting for the Contractor has been convicted for an offense where the conduct violates [41 U.S.C.2102](#) for the purpose of either-

(A) Exchanging the information covered by such subsections for anything of value; or

(B) Obtaining or giving anyone a competitive advantage in the award of a *Federal agency procurement* contract; or

(ii) The *head of the contracting activity* has determined, based upon a *preponderance of the evidence*, that the Contractor or someone acting for the Contractor has engaged in conduct punishable under [41 U.S.C.2105\(a\)](#).

(b) If the Government rescinds the contract under paragraph (a) of this clause, the Government is entitled to recover, in addition to any penalty prescribed by law, the amount expended under the contract.

(c) The rights and remedies of the Government specified herein are not exclusive, and are in addition to any other rights and remedies provided by law, regulation, or under this contract.

(End of clause)

**Parent topic:** [52.203 \[Reserved\]](#)