Gifts, Gratuities, and Kickbacks

Providing Gratuities

It is important that the marketing and sale of AFSC’s products and services be free from the perception that favorable treatment was sought, received, or given in exchange for the offering of business courtesies. We will offer no business courtesies that would constitute, or could reasonably be determined to constitute, unfair business inducements that are otherwise prohibited by law, regulation or the policies of our customers or business partners, or that could otherwise negatively affect the reputation of AFSC.

It is AFSC’s policy to comply strictly with laws governing the offering of gratuities and other items of value to federal, state and local government employees and to never offer a gift or gratuity that is intended, or may be interpreted as being intended, to influence a government official or other person who can exert influence over such decision-making.

AFSC employees and representatives are prohibited from giving gifts including any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It also includes services as well as gifts of training, transportation, local travel, lodgings and meals, except as follows:

- AFSC advertising or promotional items of limited intrinsic value (generally $20 or less). Examples include coffee mugs, calendars, and similar items displaying AFSC’s logos.
- Modest refreshments, such as soft drinks, coffee, and donuts in connection with business.
- Business-related meals with a market value not exceeding $25 per source per occasion and $50 in aggregate in any calendar year.
- Other exceptions as approved by an officer of AFSC.

Receiving Gratuities

AFSC personnel can sometimes develop close working relationships with suppliers. This may lead to expressions of friendship or appreciation in the form of gifts, gratuities, or hospitality. AFSC makes its procurement decisions on the basis of objective factors such as quality, service, pricing and technical capabilities. Acceptance from a supplier of a personal gift or gratuity that is of value greater than $25, might affect the buyer’s ability to deal objectively with all suppliers.

AFSC personnel and their immediate families may not accept personal gifts or gratuities with value in excess of $25, or any form of compensation or personal benefit from a supplier or subcontractor. Travel, services, meals, and other forms of business compensation provided by suppliers or subcontractors in support of their presentations, conventions, or trade shows may be acceptable; however, advance approval by an officer of AFSC is required. When gifts are delivered to employees at the workplace or any other location, management must be notified immediately so appropriate arrangements can be made. It does not matter if a gift was unsolicited.

Kickbacks

Federal law prohibits the offering, soliciting, or accepting of any kickback, as well as the inclusion of any amount of kickback in a contract with the United States. A kickback is defined as anything of value, such as money, fee, commission, credit, gift, gratuity, or compensation of any kind, provided for the purpose of improperly obtaining or rewarding favorable treatment in connection with a federal contract, subcontract, or purchase order. A kickback
need not be completed to fall within the ambit of the law - even attempts to provide or receive a kickback are illegal.

Kickback violations may come from a variety of sources. Employees in a position to make or receive a kickback include those who are privy to confidential information on competitors’ bids, those who are charged with maintaining AFSC’s bidder lists, those in charge of bid responsibility, and those who contract with, or award contracts to, suppliers or subcontractors.

As a government contractor, AFSC must require that its suppliers, subcontractors, and direct business relationships follow reasonable procedures designed to prevent and detect violations of the law. In addition, AFSC and its employees are obligated to cooperate fully with any federal government agency investigating an alleged violation.