

42.709-3 Responsibilities.

(a) The cognizant *contracting officer* is responsible for—

- (1) Determining whether the penalties in 42.709-2(a) *should* be assessed;
- (2) Determining whether such penalties *should* be waived pursuant to 42.709-6; and
- (3) Referring the matter to the appropriate criminal investigative organization for review and for appropriate coordination of remedies, if there is evidence that the contractor knowingly submitted *unallowable costs*.

(b) The contract auditor, in the review and/or the determination of final *indirect cost* proposals for contracts subject to this section, is responsible for—

- (1) Recommending to the *contracting officer* which costs *may* be unallowable and subject to the penalties in 42.709-2(a);
- (2) Providing rationale and supporting documentation for any recommendation; and
- (3) Referring the matter to the appropriate criminal investigative organization for review and for appropriate coordination of remedies, if there is evidence that the contractor knowingly submitted *unallowable costs*.

Parent topic: 42.709 Penalties for Unallowable Costs.