



Antitrust, Government Contracts, and White Collar, Government & Internal Investigations ADVISORY ■

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DOJ Antitrust “Strike Force” Will Crack Down on Collusive Bidding and Procurement Fraud

by [Michael Mortorano](#)

On November 5, 2019, the Department of Justice (DOJ) [announced](#) the formation of a new Procurement Collusion Strike Force (PCSF) to prosecute collusive bidding and procurement fraud in government contracting. [According to Deputy Attorney General Jeffrey Rosen](#), the PCSF “will target bid-rigging and other antitrust crimes that can cost American taxpayers billions of dollars each year by undermining the federal government’s processes for purchasing goods and services and for money granted to states and municipalities to undertake large, high-dollar-figure public improvement projects.”

The [PCSF](#) will be an interagency effort composed of prosecutors from the DOJ’s Antitrust Division and 13 U.S. Attorneys’ Offices, as well as investigators from the Federal Bureau of Investigation (FBI) and Offices of Inspector General (OIGs) from the Department of Defense, DOJ, General Services Administration, and U.S. Postal Service. In each of 13 districts, liaisons from these agencies will work together at the district level to deter, detect, and prosecute bid-rigging and collusion in government contracting.

In his [prepared remarks](#), Assistant Attorney General Makan Delrahim, who heads the Antitrust Division, touted this district-level approach and explained the PCSF’s core objectives. First, he explained, the PCSF will seek to deter criminal activity through outreach and education to participants on both the buy side and the sell side of the government procurement process. Second, it will seek to “effectively detect, investigate, and prosecute crimes that do occur” through enhanced coordination. Notably, Delrahim described plans to improve the use of data analytics programs to identify “red flags” in government procurement data that could signal collusive conduct.

And in announcing the formation of the PCSF, the DOJ acknowledged that more than a third of the Antitrust Division’s 100-plus ongoing investigations relate to public procurement or the victimization of the government through criminal conduct. The launch follows [widely publicized](#) guilty pleas, and hundreds of millions of dollars in criminal fines and civil settlements, for several South Korean oil companies involved in a bid-rigging conspiracy involving fuel supply to U.S. military bases in South Korea.

The PCSF, which brings together the combined resources of the Antitrust Division, U.S. Attorneys’ Offices, FBI, and OIG investigators, signals an enhanced commitment to finding and prosecuting government procurement fraud cases. Companies that compete for government contracts should take appropriate steps now to ensure that their procurement processes and compliance policies are sufficient.

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