

A decorative graphic in the top right corner featuring a white, angular shape that resembles a stylized paper airplane or a modern architectural element, set against a background of blurred green and white geometric shapes.

U.S. Department of Justice takes aim at criminal antitrust violations in public procurement

Department of Justice (DOJ) Antitrust Division (division) forms a Procurement Collusion Strike Force

31 October 2019

The division is poised to launch a new strike force aimed at criminal antitrust violations in the public procurement arena. A [notice](#) published last week in the Federal Register identifies a proposed "Procurement Collusion Strike Force complaint form" designed to "facilitate reporting by the public of complaints, concerns, and tips regarding potential antitrust crimes affecting government procurement, grants, and program funding." DOJ's use of task forces has been successful in the past. For example, in October 2006 DOJ formed a similar National Procurement Fraud Task Force, which successfully targeted U.S. military procurement fraud related to conflicts in Iraq and Afghanistan. In less than three years, the efforts of the National Procurement Fraud Task Force led to more than [35 criminal convictions](#). As with the National Procurement Fraud Task Force, the newly developed "Strike Force" is expected to consist of a range of federal agencies and focus on high-dollar government programs.

Recently, there has been an uptick in division bid-rigging cases relating to government contracts. In the past year, DOJ has secured several significant guilty pleas from government contractors, including five South Korean companies accused of rigging bids on contracts to supply fuel to U.S. military bases, an insulation contractor accused of conspiring with competitors to inflate bids on public construction projects, and a private contractor accused of fixing prices for surplus government equipment in online public auctions. Moreover, the division has recently issued public statements prioritizing enforcement in this area. On 15 November 2018 Makan Delrahim - the division's assistant attorney general - emphasized that "the Justice Department and its law enforcement partners will investigate and aggressively prosecute without hesitation companies who cheat the United States government and the American taxpayer." Creation of a Procurement Collusion Strike Force demonstrates that DOJ is putting significant resources toward this effort and taking clear and visible strides to pursue these cases.

Now, more than ever, companies doing business with the U.S. government should be thinking about antitrust compliance. In July 2019 DOJ [announced](#) that it will give credit to defendants with robust antitrust compliance programs. Credit for compliance marks a major shift in division

policy and is one of the significant benefits available to companies with effective compliance programs. Companies with questions or concerns about the proposed Procurement Collusion Strike Force or about aligning antitrust compliance with updated guidelines from DOJ should consider contacting experienced outside counsel.

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