

PROCUREMENT OFFICIALS

the MVPs in the fight against procurement fraud and corruption

The position of a procurement official is truly unique and tremendously important. A procurement official is the ONLY person who can identify the "Red Flags of Procurement Fraud and Corruption" in real time. Auditors and law enforcement see these "Red Flags" well after the crimes have been committed, if at all. It is this rare glimpse and ability to report these "Red Flags" that make the procurement official so unique and important. If you identify these "Red Flags," call the Hotline provided and become the MVP in the fight against procurement fraud and corruption!



Report suspicious
procurement activity
to the

FBI

202-324-7374

The "Red Flags of Procurement Fraud & Corruption" reflect possible indicators of procurement fraud and corruption derived from FBI investigative experience and do not represent a conclusion or recommendation of the FBI in regard to the approval or denial of a requested product or service purchase.

THE RED FLAGS

of procurement fraud and corruption

THE RED FLAGS

of procurement fraud and corruption

GENERAL RED FLAGS

Same vendor repeatedly winning competitive bid solicitations for products or services

Products or services repeatedly purchased from same vendor through informal quote process

Repeated purchases of products or services from same vendor in amounts under the competitive bid threshold

PRODUCT SPECIFICATION RED FLAGS

Same brand name product repeatedly purchased from solicitations containing the same product specifications

Different vendors submitting the same brand name product in response to solicitations containing the same product specifications

"Or equal" language included in a solicitation that contains highly detailed product specifications

The product to be purchased is connected to an exclusive manufacturer's representative

STANDARDIZATION RED FLAGS

Same brand name product repeatedly purchased without sole/single source justification

"To match existing" or "For ease of maintenance" or "For form and function" or similar language included in solicitations for products repeatedly purchased

EMERGENCY WORK RED FLAGS

Emergency work repeatedly awarded to a particular vendor (quantity)

The dollar value of emergency work awarded is favoring a particular vendor (quality)

PRE-QUALIFIED VENDOR POOL RED FLAGS

Awards within a pre-qualified vendor pool repeatedly going to a particular vendor (quantity)

The dollar value of awards within a pre-qualified vendor pool favoring a particular vendor (quality)

"P" CARD RED FLAGS

Repeated purchases of products from the same vendor using a "P" card

Products purchased through the informal quote process are also being purchased with a "P" card

PRODUCT RECEIPT RED FLAGS

The number of documents proving receipt of the item purchased decreases compared to previous purchases

The type of documents proving receipt of the item purchased changes compared to previous purchases

Non-warehouse employee "received" the item purchased

Winning vendor's delivery method for item purchased changes compared to previous deliveries

Accounts Payable invoice verified by the person who requested the item purchased

Solicitation described two products purchased but only one item delivered

Winning vendor is not the manufacturer of the item purchased

NON-STOCK ITEM RED FLAGS

Multiple solicitations for the same non-stock item originating from the same requestor and issued by the same buyer

One person responsible for the selection of the brand name, budget and quantity of the non-stock item purchased

Multiple solicitations for the same non-stock item awarded to the same vendor

Same losing vendors competing for multiple solicitations of the same non-stock item

The product description of the same non-stock item changed over multiple solicitations

Repeated purchases of the same non-stock item

Non-stock items purchased are stockpiling in warehouse

202-324-7374

