

JUSTICE NEWS

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Justice Department Announces Procurement Collusion Strike Force: a Coordinated National Response to Combat Antitrust Crimes and Related Schemes in Government Procurement, Grant and Program Funding

The Justice Department announced today the formation of the new Procurement Collusion Strike Force (PCSF) focusing on deterring, detecting, investigating and prosecuting antitrust crimes, such as bid-rigging conspiracies and related fraudulent schemes, which undermine competition in government procurement, grant and program funding.

At a press conference today at the Department of Justice in Washington, D.C., Assistant Attorney General Makan Delrahim of the Justice Department's Antitrust Division explained that the PCSF will be an interagency partnership consisting of prosecutors from the Antitrust Division, prosecutors from 13 U.S. Attorneys' Offices, and investigators from the FBI, the Department of Defense Office of Inspector General, the U.S. Postal Service Office of Inspector General and other partner federal Offices of Inspector General.

Deputy Attorney General Jeffrey A. Rosen expressed the Department's support for the initiative. "To protect taxpayer dollars, the Justice Department is doing its part to eliminate anticompetitive collusion, waste and abuse from government procurement," said Deputy Attorney General Rosen. "To ensure taxpayers the full benefits of competitive bidding, experienced investigators and prosecutors with the necessary expertise will partner in this Strike Force to deter, detect and prosecute antitrust crimes and related schemes in government procurements."

"The investigation and prosecution of individuals and organizations that cheat, collude and seek to undermine the integrity of government procurement are priorities for this administration," said Assistant Attorney General Delrahim. "The PCSF will train and educate procurement officials nationwide to recognize and report suspicious conduct in procurement, grant and program funding processes. We will aggressively investigate and prosecute those who violate our antitrust laws to cheat the American taxpayer."

The PCSF will lead a national effort to protect taxpayer-funded projects at the federal, state and local level from antitrust violations and related crimes, starting with a focus on 13 districts throughout the country. Prosecutors from the Antitrust Division and the participating U.S. Attorneys' Offices, along with agents from the FBI and partner Offices of Inspector General, will work together to conduct outreach and training for procurement officials and government contractors on antitrust risks in the procurement process. In addition, the partnered prosecutors and investigators will jointly investigate and prosecute cases that result from their targeted outreach efforts.

"Inspectors General throughout the federal government have a long history of rooting out waste, fraud and abuse in government contracting," said Michael E. Horowitz, Inspector General of the Department of Justice and Chair of the Council of Inspectors General on Integrity and Efficiency. "We welcome the opportunity to contribute our expertise to the important work of the Procurement Collusion Strike Force. We look forward to partnering with the other participating members of the law enforcement community to hold accountable actors who seek to defraud the government and cheat taxpayers."

"The FBI has a long history of working with our interagency and law enforcement partners to investigate public procurement crimes and ensure justice," said FBI Criminal Investigative Division Assistant Director Terry Wade. "We are committed to working closely with our DOJ colleagues and our federal, state and local partners as we continue to successfully combat these crimes."

“Individuals and companies that participate in procurement collusion cause significant harm and losses to the Department of Defense and to American taxpayers,” said Glenn A. Fine, Principal Deputy Inspector General, Performing the Duties of the Inspector General, of the Department of Defense Office of Inspector General. “The DoD Office of Inspector General, and our criminal investigative component, the Defense Criminal Investigative Service, are committed to aggressively investigating those individuals and companies who would attempt to compromise government procurement processes.”

The Antitrust Division and its law enforcement partners have a history of prosecuting criminal antitrust conspiracies that take advantage of government contracts. In late 2018 and early 2019, for instance, five South Korean oil companies agreed to plead guilty for their involvement in a decade-long bid-rigging conspiracy that targeted contracts to supply fuel to U.S. military bases in South Korea. The Antitrust Division also indicted seven individuals for conspiring to rig bids and to defraud the government, and one executive was also charged with obstruction of justice. In total, the companies have agreed to pay \$156 million in criminal fines and over \$205 million in separate civil settlements. This year, the Justice Department, in partnership with the GSA Office of Inspector General, also indicted individuals for involvement in rigging bids submitted to the GSA.

The PCSF’s 13 U.S. Attorney partners include:

- Nicola T. Hanna, Central District of California
- McGregor Scott, Eastern District of California
- Jason R. Dunn, District of Colorado
- Jessie K. Liu, District of Columbia
- Ariana Fajardo Orshan, Southern District of Florida
- Byung J. “BJay” Pak, Northern District of Georgia
- John R. Lausch, Jr., Northern District of Illinois
- Matthew Schneider, Eastern District of Michigan
- Geoffrey S. Berman, Southern District of New York
- David M. DeVillers, Southern District of Ohio
- William M. McSwain, Eastern District of Pennsylvania
- Erin Nealy Cox, Northern District of Texas
- G. Zachary Terwilliger, Eastern District of Virginia

The PCSF’s investigative partners include:

- Department of Defense Office of Inspector General
- Federal Bureau of Investigation
- General Services Administration Office of Inspector General
- Department of Justice Office of the Inspector General
- U.S. Postal Service Office of Inspector General

The PCSF has launched a publicly available website at <https://www.justice.gov/procurement-collusion-strike-force>, where government procurement officials and members of the public can review information about the federal antitrust laws and training programs, and report suspected criminal activity affecting public procurement.

Individuals and companies are encouraged to contact the PCSF if they have information concerning anticompetitive conduct involving federal taxpayer dollars by emailing pcsf@usdoj.gov.

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