

CLIENT ALERT

DOJ Announces Antitrust Strike Force Focused on Public Procurements

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In the wake of recent criminal bid rigging cases involving government contractors, the Justice Department Antitrust Division is escalating its focus on collusion in public procurement. The Antitrust Division yesterday announced the formation of an interagency strike force dedicated to the deterrence, investigation and prosecution of antitrust violations by defense and other firms selling to the government. The Procurement Collusion Strike Force (PCSF) will include prosecutors from the Antitrust Division and 13 U.S. Attorneys' Offices, as well as investigators from the FBI, Department of Defense Office of Inspector General, the U.S. Postal Service Office of Inspector General, and the General Services Administration Office of Inspector General.

Assistant Attorney General Makan Delrahim stated that the two main objectives of the PCSF are to deter and prevent collusive behavior among government contractors, and to detect, investigate and prosecute efforts to rig bids, fix prices and allocate bids. To that end, the "PCSF will train and educate procurement officials nationwide to recognize and report suspicious conduct in procurement, grant and program funding processes." This outreach will include not only federal, state, and local procurement officials, but also government contractors and trade associations.

Delrahim estimated that last year, the federal government spent over \$550 billion on goods and services. He added that the government is no less affected by anticompetitive conduct than any other customer, but explained that, in matters involving the government, it is the American taxpayer who is cheated. He also revealed that over a third of the Antitrust Division's current investigations "relate to public procurement or otherwise involve the government being victimized by criminal conduct."

Delrahim emphasized that the PCSF "will devote significant energy and resources to protecting the integrity of the government procurement process by ensuring competition in this critical sector of our nation's economy."

Delrahim's speech comes on the heels of an appearance by Richard Powers, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement, at the ABA's Public Procurement Symposium on October 25. At that event, Powers underscored the need for competition and highlighted that part of the Antitrust Division's core mission is to protect taxpayer money by preventing and prosecuting anticompetitive conduct in public procurements. Powers warned that violations of criminal antitrust laws in public procurements can result not only in prison time and significant fines but also in debarment of government contractors. He noted that government procurements are particularly vulnerable to collusion given the size and volume of federal contracts and the small pool of qualified bidders.

The full text of the announcement can be found [here](#), and Assistant Attorney General Delrahim's speech is available [here](#).

Crowell & Moring has represented numerous government contractors and other companies in criminal and civil antitrust matters and has counseling and training materials available on relevant topics.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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