

PROCUREMENT OFFICIALS

vital in the fight against procurement fraud and corruption

Procurement officials are uniquely positioned to be the *only* ones who can identify the indicators of procurement fraud and corruption in *real time*. Law enforcement and auditors see these signs only *after* the crimes have been committed—if at all. If you identify any of these red flags, report them to the FBI. Your help is vital in the fight against procurement fraud and corruption.



Report suspicious
procurement activity to

FBI Indianapolis
Division

317-595-4000

The red flags herein reflect possible indicators of procurement fraud and corruption derived from FBI investigative experience. This is not an exhaustive list of possible indicators. The red flags do not represent the FBI's conclusion or recommendation regarding the approval or denial of a requested product or service purchase.

THE RED FLAGS

of procurement fraud and corruption

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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 favors 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)

PURCHASING CARD (P-CARD) RED FLAGS

- Repeated purchases of products from the same vendor using a P-Card
- Products purchased through the informal quote process 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

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