

Department of Justice Forms National Procurement Fraud Task Force

Legal Alert
October 30, 2006

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Garvey Schubert Barer Legal Update, October 30, 2006.

On October 10, 2006, the Department of Justice (DOJ) announced the formation of the National Procurement Fraud Task Force. The task force is intended to coordinate the efforts of virtually all federal agencies and will focus on a variety of fraud issues, including defective pricing, product substitution, false claims, grant fraud, labor mischarging, accounting fraud and ethics and conflicts of interest violations.

According to the DOJ, the task force will have several priorities, including:

- Identification and prosecution of viable procurement fraud cases through coordination with U.S. Attorneys' Offices and office of inspector general field offices;

- Ensuring adequate resources are available to successfully investigate and prosecute procurement fraud cases;

- Better coordination between agency auditors and investigators to ensure that red flags and badges of fraud are promptly reported to criminal investigators for follow-up investigation;

- Specialized training for inspector general agents and auditors on the development and prosecution of procurement fraud cases; and,

- Development of strategies encouraging agencies to refer more cases for civil and criminal prosecution.

The creation of the task force, with the additional coordination and emphasis it places on procurement fraud, provides a significant incentive for contractors to ensure their understanding of procurement fraud and the adequacy and effectiveness of their compliance programs.