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DOJ Announces Government Procurement Collusion Strike Force

Today, the United States Department of Justice (DOJ) [announced](#) that it – along with the FBI, the Department of Defense (DOD), the United States Postal Service (USPS) and the General Services Administration (GSA) – is forming a new government Procurement Collusion Strike Force. The strike force will focus “on deterring, detecting, investigating and prosecuting” collusion among companies and individuals involved in government procurement at all levels. Within the DOJ, the strike force will involve prosecutors from the Antitrust Division and thirteen United States Attorney’s offices from around the country, including Chicago, Dallas, New York, Los Angeles, Miami, Sacramento and Washington, D.C. In addition to involvement by the Offices of Inspector General (OIG) of the DOD, USPS and GSA, the task force will also partner with other federal agency OIGs. The announcement was made by Deputy Attorney General Jeffrey A. Rosen and Assistant Attorney General for Antitrust Makan Delrahim. During today’s announcement, Mr. Delrahim [noted](#) that “today, more than one third of the Antitrust Division’s 100-plus open investigations relate to public procurement or otherwise involve the government being victimized by criminal conduct.”

The creation of the task force comes after Mr. Delrahim [announced](#) last November that the Antitrust Division will use the antitrust laws to seek civil antitrust damages when the federal government suffers overcharges from anticompetitive conduct. That month, the DOJ secured guilty pleas and civil damages settlements from three defendants accused of rigging DOD fuel supply contract bids for U.S. military bases in South Korea. At that time, Mr. Delrahim [said](#): “The Antitrust Division has a long history of vigilantly protecting the interests of American consumers through civil and criminal antitrust enforcement. Going forward, it is my goal to apply that same vigilance to protect the interests of American taxpayers. When a firm cheats the United States by rigging bids, the Division will insist on robust civil settlements like those announced today.” Since then, two [additional defendants](#) have pleaded guilty to charges stemming from this bid-rigging conspiracy. In addition to antitrust penalties, firms engaged in government bidding misconduct typically also face suspension and debarment from future bidding opportunities and substantial penalties under the False Claims Act.

Today’s announcement serves as a reminder that firms involved in government contracting at any level should strongly consider evaluating their antitrust compliance programs to ensure their effectiveness, particularly in light of the Antitrust Division’s longstanding leniency policy, which rewards a company that is first to report a criminal antitrust violation. The Division has also recently issued new guidance as to what it considers to be effective antitrust compliance programs and announced that such programs will now factor into prosecutors’ charging and sentencing decisions and may allow companies to qualify for deferred

prosecution agreements or otherwise mitigate exposure, even when they are not the first to self-report criminal conduct. This new policy and guidance, which we discussed in a previous [Client Memorandum](#), further underscores the importance and potential benefits to corporations of implementing and maintaining effective corporate antitrust compliance programs.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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