THE RECOVERY ACT:
The Antitrust Enforcement Effort

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The viewpoints expressed in this presentation are those of the author and do not purport to reflect those of the United States Department of Justice.

THE PROBLEM

From: [Redacted]
To: [Redacted]
Cc: [Redacted]
Subject: Update

When I spoke with [Redacted] up at [Redacted] this week she stated that she got some supplement funds this week, [Redacted]. She needs three bids from you, [Redacted] stated that you know the drill, [Redacted] would like to keep it under one million this way she is sure she can get it approved with minimal effort.

There are a lot of million dollar opportunities at [Redacted]. I am working up a template for the [Redacted] operation. I will send it to you Sat.
THE TOOLS

OTHER FRAUD STATUTES

TITLE 15

THE INITIATIVE

Prevention

Enforcement

EFFECTIVE DETERRENCE

Best Practices
PREVENTION
M.A.P.S. Training Program

• **Market** – Who is in the market for this award?

• **Application** – Are there similarities between vendor applications or proposals?

• **Patterns** – Have patterns developed among competing vendors?

• **Suspicious Behavior** – Have vendors demonstrated behavior that suggests they worked together on the award?
Smith and Smith Company
P.O. Box 3052
Somewhere City, Guam

October 15, 2009

Bid Office

Compliance Officer

Somewhere City, Guam

Subject: Aircraft Parts Bids

Dear Mr. Bid Officer:

Please find our estimate for T-37 Nose Wheel. The total amount is Two Hundred Fifty Five Dollars and 00/100 ($255.00) Including labor, materials, and equipment.

We hope that the above quotation is satisfactory. Please give us a call if you have any questions.

Sincerely,

Lisa Gonzales
Project Engineer

Jay-Em Company
P.O. Box 899304
Somewhere City, Guam

October 15, 2009

Bid Office

Compliance Officer

Somewhere City, Guam

Subject: Aircraft Parts Bids

Dear Mr. Bid Office:

Please find our estimate for F-15 Main Wheel. The total amount is Two Hundred Fifty Five Dollars and 00/100 ($255.00) Including labor, materials, and equipment.

Let us know if we are the winning bidder and give us a call if you have any questions.

Sincerely,

Johnny Smith
Project Engineer

[Image of a document with a seal and some text]
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<th>B-Seller</th>
<th>C-Seller</th>
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To: Bid Officer  
From: Smith and Smith  
Date: October 29, 2009  
Subject: Aircraft Parts Bid

Bid Officer:

Thank you for your email expressing concern over Smith and Smith’s bid offer. As you know, there are only two companies qualified to bid for the nose wheel and main wheel contracts. The price war between Smith and Smith and Jay-Em ended last year, so we are increasing our prices across the board.

President  
Smith and Smith
Commit Early – Produce Results

- Commit resources before there’s a prosecutable case
- Work covert angles and leverage scenarios to find the money
- Hit them hard:
  - Individuals = 10 years; $1 million
  - Corporations = $100 million
  - Not Loss Driven
BEST PRACTICES

Lending A Critical Eye

• Working with Program Staff to develop and implement appropriate program safe-guards

• Highlighting for Investigators / Auditors potential program risk areas

IMPLEMENTATION

• Federal agencies receiving stimulus funds by amount of funds received

• States / Municipalities receiving stimulus by risk analysis
**STIMULUS SPENDING RISK FACTORS**

*Darker red indicates a higher risk county; lighter red indicates a lower risk. The risk factors are comprised of the unemployment rate, foreclosure rate and per capita rate of property crime.*

**CONTRACTS PRONE TO COLLUSION**

*Blue areas represent competitive contracts that received three or fewer bids. Darker blue areas indicate where such practices were most common.*
ANTITRUST RISK*

The map combines the risk factor and collusion prone contracts analyses. Darker orange indicates a higher risk county. The risk factors are comprised of the unemployment rate, foreclosure rate and per capita rate of property crime.

RESULTS

• Conducted over 350 training sessions
• Trained over 25,000 agents, auditors, and procurement and grant officials nationwide from more than 20 federal agencies and nearly 40 states/territories
• Worked with multiple agencies on “best practices”
• Large corporations have replicated the MAPS program for in-house compliance training
• Received numerous referrals and multiple anecdotal examples where collusion was thwarted before funds were awarded
PARTING WORDS

• Use us as a resource
• Find out more about the Division’s Recovery Act efforts:
  www.usdoj.gov/atr/public/criminal/recovery_initiative.htm

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