

# Government contractors beware:

## DOJ Antitrust Division doubles down on procurement bid rigging

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Recent statements by Department of Justice (DOJ) Antitrust Division leadership evidence the division's heightened focus on prosecuting government contractors for procurement fraud.

Since 2019, the Antitrust Division has stood up, trained and deployed a multiagency task force charged with combatting antitrust crimes in the procurement process. In the past couple of years, this Procurement Collusion Strike Force (PCSF) has become the Antitrust Division's primary weapon for prosecuting bid rigging, price-fixing and market allocation in government procurement. Now, with the Antitrust Division's recent unveiling of its first ever whistleblower program, the Antitrust Division has warned that it has a "surge" of leads to fuel its investigations.<sup>1</sup> Government contractors should be aware that they are under the PCSF's microscope and take care to implement a robust antitrust compliance program to prevent and detect antitrust misconduct.

### The PCSF: Background and track record

The PCSF is a multiagency task force created to investigate and prosecute antitrust crimes in government procurement at the federal, state and local level, as well as abroad.<sup>2</sup> The task force is made up of the DOJ Antitrust Division, US attorneys' offices, the Federal Bureau of Investigation and numerous inspectors general from federal agencies. In particular, the PCSF targets collusive conduct in the bidding process, such as bid rigging, where competing companies agree which will submit a winning bid; price fixing, where competitors agree what price to charge; and market allocation, where competing companies agree to divide customers or geographic markets.

The Antitrust Division has achieved significant successes in prosecuting procurement bid rigging through the PCSF.

Since its inception in 2019, the PCSF has opened nearly 200 investigations, 100 of which the task force initiated in fiscal year 2025 alone.<sup>3</sup> As a result of these investigations, the PCSF has secured more than 85 guilty pleas and convictions and US\$70 million in fines and restitution.<sup>4</sup> The industries impacted have ranged from construction to IT services and involved contracts with agencies ranging from local public schools to the military services and Department of War (DOW).

Most recently, in March, the PCSF announced the first guilty plea in an ongoing investigation into bid rigging of contracts at US military installations.<sup>5</sup> The owner of a shelving and storage supply company pled guilty to submitting collusive bids for healthcare-related projects at an Air Force base in Georgia that were funded through the Defense Logistics Agency, totaling US\$1.6 million. The contractor admitted that he conspired with another contractor to intentionally submit higher prices than his competitor, then concealed his actions by rewriting bid forms in his own handwriting. The indictment alleges that additional co-conspirators were involved in the scheme, and additional charges likely are forthcoming.

Also in March, the PCSF announced another guilty plea in a nine-year bid-rigging scheme to defraud the US Air Force.<sup>6</sup> A former service member pled guilty to conspiring to wire fraud and bribery-related charges for his role in a US\$37 million fraud scheme to inflate the cost of IT contracts to the US Pacific Air Forces. The service member faces up to 20 years in prison and agreed to pay more than US\$1.4 million in restitution to the DOW. He also will be subjected to a five-year debarment from doing business with the US government. The servicemember is actively cooperating in the government's case against his co-conspirators.

In addition to securing guilty pleas, the PCSF has won

1 ["Acting Deputy Assistant Attorney General Daniel Glad Delivers Keynote at the Global Competition Review Cartels: Live! Conference,"](#) DOJ Office of Public Affairs, March 3, 2026.

2 [Procurement Collusion Strike Force](#), DOJ Antitrust Division.

3 *Id.*; see also ["Acting Deputy Assistant Attorney General Daniel Glad Delivers Keynote at the Global Competition Review Cartels: Live! Conference,"](#) DOJ Office of Public Affairs, March 3, 2026.

4 [Procurement Collusion Strike Force](#), DOJ Antitrust Division.

5 ["Texas Man Pleads Guilty to Rigging Bids for Healthcare-Related U.S. Air Force Projects,"](#) press release, DOJ Office of Public Affairs, March 18, 2026.

6 ["Former Member of the Air Force Pleads Guilty to Multi-Year Bid Rigging Schemes and Conspiracy to Defraud U.S. Air Force,"](#) press release, DOJ Office of Public Affairs, April 2, 2026.

convictions of government contractors at trial, resulting in significant jail sentences. In January, the owner of Independent Marine Oil Services LLC was convicted by a jury of 34 felonies related to submission of US\$4.5 million in fake invoices to US Navy and Coast Guard ships attempting to purchase fuel for military operations. He was sentenced in April to five years in prison.

## Antitrust Division signals pipeline of procurement bid-rigging cases

Recent public statements by Antitrust Division officials signal that the division remains committed to prosecuting bid rigging in government procurement. In March, the acting deputy assistant attorney general (DAAG) for criminal enforcement, Daniel Glad, lauded the PCSF for producing “measurable results” and emphasized that combatting procurement collusion “remains a priority” in 2026.<sup>7</sup> DAAG Glad noted that nearly half of the Antitrust Division’s open investigations relate to government procurement, reflecting a steady pipeline created by the PCSF.

The Antitrust Division’s new whistleblower program likely will fuel the PCSF’s investigations. Assistant Attorney General (AAG) Omeed Assefi recently touted the new whistleblower program as having “generated a flurry of tips” that have led to criminal charges.<sup>8</sup> Announced in July 2025, the program gives the division discretion to award an individual who reports original information about an antitrust offense that results in fines or recoveries of at least US\$1 million with 15–30% of the recovery. Only six months into the program, the Antitrust Division announced in January a \$1 million reward to a whistleblower whose information led to bid-rigging charges against an online auctioneer for used vehicles.<sup>9</sup> AAG Assefi has noted a “frenzy” of whistleblower activity that could lead to prosecutions.

## Why the PCSF matters to government contractors

In light of the Antitrust Division’s heightened focus on procurement bid rigging, government contractors should understand the risk of facing a criminal antitrust investigation. Those risks include:

- **Jail time and criminal fines** – Antitrust violations such as price-fixing, bid-rigging and market-allocation schemes are prosecuted criminally and carry the weight of jail time and criminal fines. Under Section 1 of the Sherman Act (15 U.S.C. Section 1), such conduct is punishable by up to 10 years in prison and a US\$1 million fine for individuals and US\$100 million in criminal fines for companies.

However, the Antitrust Division has often charged antitrust crimes under Title 18, the criminal code, where fraud-related conduct can result in up to 20 years in prison for each count. Corporate fines can also exceed the statutory cap to twice the gross gain or loss and have, at times, reached billions of dollars in large, cross-border cases.

Government contractors should heed the Antitrust Division’s threat of jail time and longer prison sentences for antitrust crimes. Division leadership has made clear that they are “laser focused on individual accountability” and committed to punishing wrongdoing with “significant jail sentences.”<sup>10</sup> In fiscal year 2025, the number of prison days to which individuals were sentenced for antitrust crimes increased by 1200%. The division also has warned that procurement collusion cases are particularly likely to result in jail time for individuals because the PCSF has the training to detect and develop evidence of bid rigging, including through analysis of bids, contracts, communications among co-conspirators and pricing patterns.

- **Suspension and debarment** – Government contractors may also be suspended and debarred for violations of federal and state antitrust statutes relating to the submission of offers to US government agencies.<sup>11</sup> A suspension or debarment essentially bars a contractor from doing business with the US government for a period of time. Specifically, any contractor debarred, suspended or proposed for debarment is excluded from receiving contracts and subcontracts – with a few limited exceptions in the case of subcontracts. Additionally, US government agencies are restricted from soliciting offers from, awarding contracts to, or consenting to subcontracts with these contractors, unless the US government agency head determines that there is a compelling reason for such action. A contractor debarred, suspended or proposed for debarment is also excluded from conducting business with US government agencies as agents or representatives of other contractors. For a company that does a significant work with the US government, either as a prime contractor or as a subcontractor, a suspension or debarment could be its death knell.
- **Private civil litigation** – When criminal antitrust investigations become public, they inevitably prompt private plaintiffs to file related civil class actions against the companies under scrutiny. These civil litigations often consume defendant companies for years, if not a decade or more. They also subject the defendant companies to treble damages for the antitrust conduct. As a result, government contractors who are sued in a follow-on civil class action must devote substantial time and resources to litigating and resolving these cases.

7 “Acting Deputy Assistant Attorney General Daniel Glad Delivers Keynote at the Global Competition Review Cartels: Live! Conference,” DOJ Office of Public Affairs, March 3, 2026.

8 “It’s Not Personal Sonny, It’s Strictly Business: Aggressive Enforcement to Protect a Free Market,” DOJ Office of Public Affairs, March 23, 2026.

9 “Antitrust Division and U.S. Postal Service Make First-Ever Whistleblower Payment: \$1M Awarded for Reporting Antitrust Crime,” press release, DOJ Office of Public Affairs, January 29, 2026.

10 “Acting Deputy Assistant Attorney General Daniel Glad Delivers Keynote at the Global Competition Review Cartels: Live! Conference,” DOJ Office of Public Affairs, March 3, 2026.

11 See 48 C.F.R. § 9.406–2.

- **Business disruption and reputational harm** – Even if a government contractor ultimately is absolved of wrongdoing, a criminal antitrust investigation can significantly disrupt the business because the company is required to produce evidence and make witnesses available for testimony. To the extent that an investigation becomes public, contractors face the risk of reputational harm and financial loss to shareholders. The combination of a government investigation with follow-on civil litigation and potential suspension or debarment can be a deadly mix for a company.
- **Implementing a reliable reporting mechanism** – In light of the Antitrust Division's new whistleblower program, government contractors should ensure that they have effective and trusted internal reporting systems in order for employees to internally disclose potential antitrust violations. If companies do not have this mechanism in place, employees may blow the whistle to the Antitrust Division before the company has an opportunity to avail itself of the division's leniency program, which could protect the company from criminal prosecution.

## Steps government contractors can take to reduce criminal antitrust risk

Government contractors can reduce their risk of criminal antitrust exposure by taking the following steps to shore up their compliance programs:

- **Adopting effective antitrust training** – Employees in positions that expose them to potential antitrust risk should receive training tailored to their company's risk. This includes employees and executives involved in pricing, sales/bids, marketing and forecasting, as well as those who touch employee compensation and benefits given the Antitrust Division's focus on prosecuting labor market collusion. Training should go all the way up to the C-Suite to ensure that corporate leadership sets the proper "tone from the top."
- **Reviewing the bidding process to address red flags** – The PCSF has published a list of "[red flags of collusion](#)" that outline how companies can assess bid-rigging risk. They include market risks, such as few vendors who control a large share of the market or products that are standardized; bid proposal risks, such as proposals containing similar handwriting, sent from the same address, or that contain last minute changes to price quotes; bidding patterns developed among competing companies over multiple awards, such as rotation of the award winner or the winning contractor's award of subcontracting work to the losing contractor; and suspicious behavior evidencing collusion, such as a contractor submitting multiple proposals for a contract or submitting a proposal for services the contractor does not have the ability to provide.
- **Contacting outside counsel** – If the company detects any concerning antitrust conduct, it should reach out to experienced outside antitrust counsel to conduct an internal investigation and advise regarding the risks and benefits of reporting the conduct to enforcers.