



Procurement Fraud

This type of fraud involves the unlawful manipulation of a process to acquire contracts, goods, or services or to obtain an unfair advantage. VA spends billions of dollars each year on contracted services, supplies, and medications alone. Indicators include the following:

- The vendor has limited or no previous government contracting experience relative to the size of the bid or contract.
- The vendor was established within the timeframe of a crisis (such as the COVID-19 pandemic) and is offering associated supplies, medications, or services for high-demand items or actions.
- Products or services offered are unrelated to those the vendor previously specialized in.
- A percentage of payment is demanded up front, or payment must be placed into escrow prior to product or service delivery.
- Vendors claim to have direct contact with major manufacturers of large quantities of scarce items that cannot be obtained through VA's previously used or well-known major distributors.
- Vendors assert that they have name-brand items on hand when they are not authorized distributors.

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