



# Whistleblower Program

## Office of the Controller - City Services Auditor

Fraud Awareness and Prevention

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## WHAT IS BID RIGGING?

Bid rigging is a form of fraud in which a contract is promised to one party even though, for the sake of appearance, several other parties also present a bid.

## BID RIGGING RED FLAGS

Knowledge of “red flags,” or indicators of possible fraud, can help detect improper conduct. If you suspect possible misconduct, look for a number or a pattern of red flags, rather than one red flag, before drawing firm conclusions.

Some of the most common “red flags” associated with bid rigging include:

			
<b>Identical bids from different vendors</b>	<b>A winning bidder subcontracts parts of the award to one or more losing bidders</b>	<b>Contract specifications or requirements are unnecessarily restrictive, or requires expertise concentrated in one vendor</b>	<b>Evidence of personal relationships between contracting or procurement staff and vendors</b>

## PREVENTING BID RIGGING

A procurement program designed to prevent and detect bid rigging should:

- Avoid unnecessary restrictions that reduce the number of qualified bidders.
- Establish rigorous contract monitoring procedures.
- Require bidding vendors sign non-collusion affidavits.
- Establish appropriate segregation of duties between procurement and monitoring staff.

Employees should report suspected bid rigging to the Whistleblower Program. To report suspected improper activities, go to [www.sfgov.org/whistleblower](http://www.sfgov.org/whistleblower).