COURSE SYLLABUS

# Contract and Procurement Fraud for Investigators Course

Learn to detect and analyze contract and procurement fraud schemes in government contracts and grants, including false claims, corruption, and front operations.

Group classes (Washington, DC) and onsite training are available for this course.
For more information, email onsite@graduateschool.edu or visit: https://sdfm.graduateschool.edu/courses/contract-and-procurement-fraud-for-investigators




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## Course Outline

### Module 1: Introduction

- Explain the current audit and investigative environment around procurement fraud and why proactive detection matters.
- Identify Yellow Book expectations for fraud discussion, planning, and referral to investigators or law enforcement.
- Clarify the respective roles of investigators, prosecutors, and contracting officials in addressing fraud.
- Trace the historical persistence of contract fraud to frame modern risks and remedies.

### Module 2: What is Fraud?

- Define fraud in contrast to waste and abuse; review common law elements versus modern statutory standards.
- Summarize key criminal, civil, and contractual authorities governing contract fraud (e.g., False Claims, False Statements, Anti-kickback).
- Recognize corruption offenses (bribery, gratuities, conflicts, extortion) and typical red flags.
- Apply practical audit/investigation tips to detect falsified documents, false claims, and material misrepresentations.

### Module 3: The Government Contracting Process

- Map the contracting cycle: needs identification, vehicle selection, solicitation/evaluation, performance monitoring, payment, and termination.
- Differentiate firm-fixed-price and cost-type contracts and the controls required for each.
- Spot fraud indicators in requirements definition, competition/sole-source justifications, and bid evaluation.
- Understand financing and payment rules (e.g., progress payments, Prompt Payment Act) and when suspected fraud halts terminations/actions.

### Module 4: The Importance of Contractor Integrity to the Contracting Process

- Explain “present responsibility” and FAR standards for ethics, integrity, and business conduct.
- Use SAM, FAPIIS, past performance, and pre-award surveys to assess responsibility and verify certifications.
- Discuss mandatory disclosure, codes of business ethics (FAR 52.203-13/-14), and limits of contractor self-policing.
- Leverage required certifications (e.g., size status, independent price determination, PIA compliance) to test truthfulness.

### Module 5: Major Contract Fraud Schemes

- Identify common schemes such as defective pricing, product substitution, mischarging, false quality/testing, and collusive bidding.
- Link schemes to the contract phase where they arise and to relevant statutes/clauses.
- Recognize scheme-specific red flags and evidence sources (records, physical inspection, data patterns).
- Practice triage and scoping for multi-faceted schemes that combine false claims, kickbacks, and obstruction.

### Module 6: Fraud Schemes Related to Special Contracts

- Examine vulnerabilities in simplified acquisitions, micro-purchases, commercial item buys, and IDIQs/task orders.
- Assess risks unique to set-asides, small/disadvantaged business programs, and socioeconomic certifications.
- Evaluate prime–subcontract relationships for kickbacks, pass-throughs, and unallowable costs.
- Apply tailored testing to performance-based payments and progress payment certifications.

### Module 7: Remedies for Contract Fraud

- Compare criminal, civil (e.g., Civil False Claims Act), administrative, and contractual remedies and their standards of proof.
- Outline suspension/debarment, termination for default, withhold/reduction of payments, and voiding tainted contracts.
- Coordinate with DOJ, contracting officers, and agency counsel to select and sequence remedies.
- Calculate loss and damages considerations for criminal versus civil actions.

### Module 8: Issues Related to Investigators, Fraud, and Audit Independence

- Navigate independence requirements when audits uncover potential fraud and when to transition to investigation.
- Preserve evidence integrity; manage scope limitations, access issues, and indications of obstruction.
- Balance investigative needs with audit objectives and reporting protocols.
- Address communication, confidentiality, and whistleblower considerations during joint engagements.

### Module 9: Obtaining Information about Government Contractors Involved in Fraud

- Identify sources for contractor information: agency records, SAM/FAPIIS, CPARS, financials, and third-party data.
- Use subpoenas, search warrants (via law enforcement), and contractual access-to-records clauses appropriately.
- Plan interviews with program staff, CO/COR, subcontractors, and whistleblowers to corroborate allegations.
- Develop a documentation strategy that supports referrals, remedies, and potential litigation.