

“Red Flags” of procurement related fraud/corruption

- ▶ 20 related RFQs/Purchase Orders for non-stock item from **same requestor**
- ▶ Same 20 RFQs/Purchase Orders for non-stock item issued from **same buyer**
- ▶ Same 20 RFQs/Purchase Orders for non-stock item awarded to **same vendor**
- ▶ Winning vendor is not manufacturer of the non-stock item purchased
- ▶ Winning vendor’s delivery method for the non-stock item changes
- ▶ Same losing vendors competing for the 20 RFQs of the non-stock item
- ▶ Accounts Payable invoice signed by the person who requested the non-stock item purchased
- ▶ Non-warehouse employee “received” the non-stock item purchased
- ▶ 1 document proving receipt of the non-stock item purchased vs. 4 documents proving receipt of the item in previous purchases
- ▶ The description of the non-stock item changed 3 times in the “Item Description” portion of 3 consecutive RFQs
- ▶ RFQ described two products purchased but only one box delivered
- ▶ Non-stock items purchased are stockpiling in warehouse
- ▶ One person responsible for the selection of the **brand/model** of the non-stock item purchased
- ▶ Same person responsible for the **budget price** of the non-stock item purchased
- ▶ Same person responsible for the **quantity** of the non-stock item purchased