

Material Pricing Deficiencies

FRAUD INDICATORS

- **A significant variance between proposed and negotiated vendor/ subcontract quantities or prices.**
- **Use of different vendors or subcontractors than proposed.**
- **Contractor using higher budgetary/planning quotes to support proposal or negotiations knowing that lower firm quotes have been or will be submitted on request.**
- **Contractor using higher courtesy bids to support proposal or negotiations knowing that lower bids are or will be available. Courtesy bids also increase the lowest bid.**
- **Failure to disclose the existence of a decrement factor, purchase discount or historical negotiation experience with vendors.**
- **Specific knowledge that is not disclosed regarding significant cost issues that will reduce the proposed cost.**
- **Consistent failure to update submitted cost or pricing data prior to agreement on price.**
- **Repeated defective pricing involving similar patterns or conditions.**
- **Continued failure to make complete disclosure to the Government of data known to responsible personnel.**
- **Denial by responsible contractor employees of the existence of historical or other records that are later found.**
- **Continued failure to correct known business system deficiencies that impact or allow for submission of proposal data that is not accurate, complete or current.**