

Fraud Risk Assessment Tool

Module #13 – Corruption Schemes

Corruption schemes include:

- Bribery schemes, which involve the offering, giving, receiving, or soliciting of a thing of value to influence a business decision
- Kickback schemes, which occur when vendors make undisclosed payments to employees of purchasing companies in order to enlist the employees in overbilling schemes
- Bid-rigging schemes, which occur when an employee fraudulently assists a vendor in winning a contract through the competitive bidding process
- Economic extortion schemes, which occur when an employee demands payment from a vendor for decisions made in the vendor's favor. Refusal to pay the extorter results in harm to the vendor
- Illegal gratuities schemes, which involve giving or receiving something of value to reward a business decision

Questionnaire Key

1. Is there a company policy that addresses the receipt of gifts, discounts, and services offered by a supplier or customer?

Organizations should implement a policy that addresses the receipt of gifts, discounts, and services offered by a supplier or customer.

2. Is there an established bidding policy?

Organizations should establish a bidding policy.

3. Are purchases reviewed to detect out of line costs?

Organizations should review purchases for costs that are out of line.

4. Are purchases reviewed to identify favored vendors?

Purchases should be reviewed to identify favored vendors.

5. Are purchases reviewed to identify excessive amounts?

Purchases should be reviewed and any excessive amounts should be investigated.

6. Are pre-bid solicitation documents reviewed for any restrictions on competition?

Pre-bid solicitation documents should be reviewed for any restrictions on competition.

7. Are bid solicitation packages numbered and controlled?

Bid solicitation packages should be numbered and controlled.

8. Is communication between bidders and purchasing employees restricted?

Companies should restrict and monitor communication between bidders and purchasing employees.

9. Are the bids received kept confidential?

All bids received should be kept confidential.

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10. Are bidders' qualifications verified?

Companies should verify bidders' qualifications.

11. Are contracts awarded based on predetermined criteria?

Companies should establish predetermined criteria upon which to award contracts.

12. Are purchasing account assignments rotated?

Periodic rotation of purchasing account assignments can be an effective corruption control.

13. Are vendors surveyed periodically regarding company purchasing practices?

Organizations should periodically survey vendors regarding company purchasing practices.

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	Yes	No	Not Applicable
Is there a company policy that addresses the receipt of gifts, discounts, and services offered by a supplier or customer? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there an established bidding policy? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are purchases reviewed to detect out of line costs? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are purchases reviewed to identify favored vendors? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are purchases reviewed to identify excessive amounts? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are pre-bid solicitation documents reviewed for any restrictions on competition? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are bid solicitation packages numbered and controlled? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is communication between bidders and purchasing employees restricted? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the bids received kept confidential? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Yes	No	Not Applicable
Are bidders' qualifications verified? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are contracts awarded based on predetermined criteria? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are purchasing account assignments rotated? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are vendors surveyed periodically regarding company purchasing practices? Comments:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>