

## ***How to Report GSA Best Price Fraud***

This article explains how to report GSA Best Price Fraud and receive a monetary whistleblower reward.

### **Failure to Give the GSA/Government the Best Price Violates the False Claims Act and Entitles a Reward to Whistleblowers**

Those that sell goods to the government under the GSA program or GSA website must sell the products to the government at the best price they sell to their best customers. Failure to do so is a fraud against the government and entitles a whistleblower for a reward. Below explains the GSA program and how to report GSA best price fraud to receive a reward.

### **Participation in Federal Supply Schedule (FSS) and Multiple Award Schedule (MAS) Requires Best Prices**

The GSA implemented the Federal Supply Schedule (FSS) program and Multiple Award Schedule (MAS) to enable federal government agencies to purchase a wide variety of products and services from commercial vendors through schedule contracts without having to open up a bidding process every time. The multiple awards schedule (MAS) is the largest Federal Supply Schedule program and provides government agencies with a simplified method of acquiring varying quantities of a wide range of commercially available goods and services, such as office furniture and supplies, personal computers, scientific equipment, library services, network support, and laboratory testing services. For instance, if an agency needs to buy 1,000 pens, it can simply buy them from an approved vendor instead of asking companies to bid to sell the pens.

To participate in the federal supply schedule (FSS) or the Multiple Award Schedule (MAS) requires a contractor to sell products and services at the best prices charged to their best customers or it is fraud.

### **GSA Best Price Fraud under Federal Supply Schedule (FSS)** **GSA Best Price Fraud under the Multiple Award Schedule (MAS)**

The GSA is primarily responsible for monitoring the Federal Supply Schedule (FSS) program and Multiple Award Schedule (MAS) for fraud, such as companies charging more than their best prices. However, the GSA is rarely able to detect best price fraud without the help of whistleblowers, and the government pays huge rewards to for reporting GSA best price fraud.

A critical aspect of these GSA programs is pricing. Prior to posting goods or services on the GSA website, the contractor must represent that the prices reflect those of their most favored customers. Thus, any discounts from the vendor's commercial price must be passed on to the GSA and government agencies. In short, each vendor must certify that the prices offered to the government are the same, equivalent or more favorable than the price it gives to any of its other customers. This duty to sell goods and services to the government at the best price continues through the life of the contract. For instance, if after the contract is awarded a vendor or contractor gives a customer a better price, the vendor must rebate the amount to make it the best price or it is fraud.

It is GSA best price fraud for a contractor or vendor to disguise discounts or rebates to favored customers to avoid having to offer the same price to the government. For instance, if the list price for an item is \$100, but the company provides a \$25 rebate or future discount to a favored customer, it must offer the same item to the government under the GSA program for \$75, or it is fraud.

### **Amounts of Rewards for Reporting GSA Best Price Fraud**

To calculate the damages in a GSA best price fraud case, the government is entitled to the same discount or best price offered to any of the contractor's customers for the life of the contract and for as many items as were sold to the government. Using the \$100 hypothetical, if the vendor gave a customer a rebate of \$25, but charged the government the full \$100 for 10,000 items, the GSA best price fraud amounts to \$250,000. It can add up quickly. For instance if they sold 100,000 items, the amount of GSA best price fraud is \$2.5 million.

The amount of damages in a GSA best price fraud is important because the amount a whistleblower receives as a reward is a portion of the amount the government collects back. In a typical case that the government takes, the reward for GSA best price fraud is between 15% and 25% of the money the government collects back. A reward of 15% of \$2.5 million in GSA best price fraud is \$375,000.

If you work for a company that is supplying the federal government with products above the best price charged to others, you may be eligible for a significant reward if you properly report the GSA best price fraud. The key to receiving a reward for reporting General Service Administration (GSA) GSA best price fraud is to have specific and detailed allegations. It is not enough to suspect that the company must have cheated by charging more because the prices were high, but you need proof that they charged someone else less than the government.

### **Competitors can report GSA Best Price Fraud and Get a Reward**

It is not fair if your competitors are getting GSA contracts by cheating. Therefore, the whistleblower reward program is available to competitors that know of someone committing GSA best price fraud. Mr. Hesch has helped a company that was losing contracts to a competitor cheating by using goods made in China on government contracts. The government agreed and made this competitor repay hundreds of thousands of dollars to the government and gave the whistleblower a nice reward. It also leveled the playing field going forward.

### **How to report GSA fraud**

Mr. Hesch would be pleased to review in complete confidence your potential GSA fraud case. You can read on his website his extensive 15-years experience as an attorney working for the Civil Fraud Section of the U.S. Department of Justice (DOJ) in the nationwide whistleblower reward.

Visit his website at [www.HowToReportFraud.com](http://www.HowToReportFraud.com) to find out if The Hesch Firm can help you report General Service Administration (GSA) best price fraud.