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Competition and Corruption in Public Procurement

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1 Introduction

1. Public procurement plays a central role in public governance and economic activity. Across OECD countries, procurement expenditure represents approximately 13% of GDP and nearly 30% of total government spending (OECD, 2025^[1]). The design and implementation of procurement systems therefore have a direct impact on public finances, service delivery, market structure, and trust in public institutions.
2. Beyond its economic significance, public procurement is essential for the provision of key public services. Health accounts for the largest share of procurement expenditure, at 29.7% on average across OECD countries in 2023, with education and social protection also representing major spending areas (OECD, 2025^[1]).
3. Public procurement constitutes a critical interface between the public and private sectors, making it an area particularly vulnerable to integrity risks. This could be explained by several factors, including the complexity of the procedures, and the close interactions between contracting authorities and suppliers (OECD, 2026^[2]). As highlighted in the OECD Anti-Corruption and Integrity Outlook 2026, these integrity breaches can have, direct implications for competitive outcomes. Ensuring the integrity of procurement processes is therefore fundamental to achieving efficient and effective outcomes (Anderson, 2024^[3]).
4. Moreover, as industrial policy gains renewed prominence, the integrity of public procurement becomes critical. Mission-oriented policies rely on procurement to actively direct innovation and industrial transformation, meaning that public purchasing decisions can influence entire sectors and technological trajectories. In this context, any weaknesses in transparency, competition, or governance risk distorting and undermining policy objectives. Given procurement's scale and its role in steering investment and innovation, ensuring integrity is therefore essential to guarantee that industrial policy delivers broad public value (Mazzuccato M., Spano, E. and Wainwright,, 2025^[4]).
5. Given the scale of resources involved, public procurement is exposed to several integrity breaches, including corruption and collusion. These risks often intersect.
6. Evidence from the enforcement of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD, 2021^[5]) shows that foreign bribery is frequently linked to efforts to secure public procurement contracts. The OECD Foreign Bribery Report finds that more than half of foreign bribery cases involved the award of public contracts (OECD, 2014^[6]), with a large share concentrated in sectors closely associated with public procurement, such as extractive industries, construction, transportation, and information and communication (OECD, 2016^[7]). Corruption undermines competition by facilitating bid rigging, favouring specific economic operators, distorting tender specifications, and discouraging entry, thereby weakening efficiency, competition and public trust¹.
7. Research shows that corruption in public procurement can rise prices well above competitive levels—sometimes up to maximum willingness to pay—because firms shift from competing on price to competing through bribes. Simply limiting the size of bribes or tightening controls on officials is often ineffective, whereas restricting firms' ability to bribe or encouraging entry by firms without corruption links can help restore price competition (Compte, O., Lambert-Mogiliansky, A. and Verdier, T., 2005^[8]). From a competition perspective, corruption is harmful even when it does not involve explicit coordination among firms. By tailoring technical specifications or qualification criteria to a preferred supplier, corrupt officials

can exclude otherwise competitive bidders. Similarly, biased evaluation or discretionary use of exceptions can protect incumbents and deter entry. Corruption therefore weakens competitive pressure, reduces incentives to innovate, and increases prices paid by contracting authorities. On the other hand, empirical research found an inverse relationship between the level of competition and openness in a market and the level of corruption (Ades A., and Di Tella R., 1999^[9]).

8. Corruption and collusion can, therefore, be mutually reinforcing. Corruption can weaken or eliminate competitive pressure while collusive arrangements can thrive where corrupt practices shield them from detection. Where firms perceive that procurement outcomes depend on privileged access or illicit payments rather than competitive merit, incentives to compete on price and quality diminish. Over time, this may create or reinforce market concentration and normalise anti-competitive behaviour.

9. Since the OECD last examined the interaction between collusion and corruption in public procurement at the 2010 and 2014 Global Forum on Competition (OECD, 2010^[10]; OECD, 2014^[11]), law enforcement authorities have encountered cases involving both phenomena. This makes renewed comparative analysis both timely and relevant, particularly in light of recent crises or events that required the use of emergency procurement such as the COVID-19 pandemic, during which integrity risks intensified (OECD, 2020^[12]).

10. This Issues Paper examines how corruption risks affect competition, particularly with respect to the risk of collusion, in public procurement. It explores how corruption can weaken competitive pressure, how procurement design and market conditions can facilitate both corruption and collusion, and how enforcement and policy responses can be better aligned. The paper aims to support discussion among competition authorities on the interface between the two phenomena of corruption and collusion, and to enhance awareness of cross-cutting risks to strengthen enforcement effectiveness and safeguard the integrity of procurement systems.

2 What is Corruption in Public Procurement?

11. Corruption in public procurement refers to the abuse of entrusted public authority or position for private gain throughout the procurement cycle, from needs assessment to contract execution and payment. It can take multiple forms, including bribery of public officials, undue influence over procurement decisions, conflicts of interest, fraud in bid evaluation or invoicing. These practices exploit procedural complexity, and close interactions between public officials and economic operators. By weakening competitive pressures, corruption not only wastes public funds but also creates barriers to entry and participation, thereby harming market functioning and long-term economic efficiency (OECD, 2016^[7]).

12. In economic terms corruption can be described as a principal-agent problem where the person(s) in charge of the procurement process is influenced to design the process or alter its outcome to favour a particular firm in exchange for bribes or for other rewards (Rose-Ackerman, 2016^[13])².

13. OECD analysis frames the solution to corruption as being a system approach which builds a culture of integrity. Corruption is facilitated where public institutions operate in an environment with weak integrity safeguards including internal controls, oversight, and enforcement, creating opportunities for illicit behaviour. The *OECD Anti-Corruption and Integrity Outlook* (OECD, 2026^[2]) shows that although most countries integrity systems are improving, significant implementation gaps persist in high-risk areas such as public procurement, where rules exist on paper but are inadequately applied or monitored in practice. Regulatory complexity and opaque decision-making further increase corruption risks, especially where officials exercise broad discretionary powers without sufficient transparency or accountability. The 2015 OECD Recommendation on Public Procurement highlights the importance and need of ensuring integrity across government and the public procurement system (OECD, 2015^[14]) recommending a whole-of-government framework for promoting a culture of integrity across the public sector and the whole-of-society (OECD, 2025^[15]).

14. Answers to the 2024 OECD survey on public procurement show that 93% (37 out of 40) of OECD Member and partner countries have some initiative and/or measure in place to promote supplier integrity. However, efforts to promote integrity among suppliers could be advanced which could benefit competition and access to the public procurement market. Indeed, while many countries promote integrity among suppliers in principle, concrete measures—such as supply-chain transparency, “no-corruption” warranties requirements, or certifications—are applied unevenly and are often voluntary. In the absence of measures to promote integrity, there might be an increased risk for firms to engage in corrupt or collusive behaviour and to enjoy a competitive advantage over compliant competitors. Over time, this can distort procurement markets by deterring entry, disadvantaging responsible firms, and reinforcing concentration among a small number of repeat contractors (OECD, 2026^[2]).

15. The OECD 2026 Anti-Corruption and Integrity Outlook highlight the relatively limited development of supplier-side integrity measures, with important implications for competition. While many jurisdictions promote integrity among suppliers in principle, concrete requirements—such as supply-chain transparency, integrity assurances, or the adoption of corporate compliance programmes—are applied unevenly and are often voluntary. In the absence of credible and enforceable supplier-side obligations, firms that engage in corrupt or collusive behaviour may enjoy a competitive advantage over compliant

competitors. Over time, this can distort procurement markets by deterring entry, disadvantaging responsible firms, and reinforcing concentration among a small number of repeat contractors (OECD, 2026_[2]).

Box 1. Risks of corruption in emergency procurement

Emergency procurement procedures deserve particular attention as derogations from standard rules, though justified in crisis situations, often reduce competitive safeguards and oversight. Evidence from recent crises suggests that repeated reliance on emergency procedures can normalise discretionary practices and reduce deterrence against both corrupt conduct and bid rigging.

The (OECD, 2020_[12]) highlights that the COVID-19 crisis created conditions that significantly increased corruption risks in public procurement, mainly because governments were required to act quickly and at scale. Emergency measures involved accelerated procedures, direct contracting and large volumes of spending under time pressure, often leading to the relaxation or circumvention of standard procurement rules and oversight mechanisms. This combination of urgency, reduced scrutiny and expanded discretion created opportunities for bribery, favouritism and misuse of funds, while shortages of critical goods and disrupted supply chains further intensified incentives for corrupt behaviour and price inflation. (Spagnolo. G., 2020_[16])

At the same time, the OECD underlines that the crisis exposed and amplified pre-existing governance weaknesses, including limited transparency, reduced accountability and weakened enforcement capacities. Detection of corruption became more difficult as monitoring systems, audits and whistleblowing channels were disrupted, while large stimulus and recovery packages created additional risks over the medium term. Overall, emergency procurement environments combined high discretion, low transparency and constrained oversight, making corruption more likely and harder to identify, and underscoring the need for strengthened integrity frameworks, transparency tools and co-ordinated enforcement to safeguard public trust and ensure effective crisis responses.

Source: OECD (2020_[12]), Policy measures to avoid corruption and bribery in the COVID-19 response and recovery”, OECD Policy Responses to Coronavirus (COVID-19), <https://doi.org/10.1787/225abff3-en>; Spagnolo (2020_[16]) Combating Misuse of Public Funds in COVID-19 Emergency Procurement, <https://freepolicybriefs.org/2020/09/28/covid-19-emergency-procurement/>.

3 Corruption and Collusion in Public Procurement

3.1. The Relationship between Corruption and Collusion in Public Procurement

16. Integrity and competition in public procurement are closely interlinked. Corruption in procurement is a breach affecting a vertical relationship involving the actual or a potential bidder and public officials involved in key milestones of the public procurement procedure (i.e. design of tender documentation, award of the contract, contract management). Collusion in procurement is a breach affecting a horizontal relationship between potential bidders who, instead of competing, agree on whether, how and when to bid. Both conducts distort procurement outcomes and subvert the very reason for public procurement: the award of public contracts to the best offer that responds the best to the public need. Corruption and collusion can occur together or separately. When they occur together, they are significantly more difficult to detect and investigate, since incentives to report them and provide evidence are lower for all actors involved. The OECD Guidelines for Fighting Bid Rigging in Public Procurement stresses that insufficient co-operation between procurement authorities, anti-corruption agencies and competition agencies can limit the detection of bid-rigging cartels. (OECD, 2025^[17])

17. Corruption in public procurement can undermine competition throughout the procurement cycle. At the pre-tender stage, risks arise where technical specifications, qualification requirements, or procurement procedures are designed or applied in ways that unduly restrict participation. The unjustified use of limited or non-competitive procedures, or the tailoring of requirements to specific suppliers, can raise barriers to entry and weaken market contestability. During the tendering phase, corruption may be used to steer the award of the contract towards a preferred bidder, regardless of the merits of its offer. In the post-award phase, weak integrity controls may facilitate undue contract modifications, cost overruns, or tolerance of under-performance that would be less likely to occur under effective competitive pressure (Arozanem L., 2025^[18]).

Box 2. The 2015 OECD Recommendation on Public Procurement: Implications for Competition and Corruption

The **OECD Recommendation of the Council on Public Procurement (2015)** establishes an integrated framework to promote **transparency, integrity, access, and competition** throughout the public procurement cycle.

It recognises that public procurement is particularly vulnerable to corruption and anti-competitive practices due to the value of contracts, information asymmetries, and the discretion exercised by contracting authorities. To address these risks, the Recommendation calls for:

- **open and competitive procurement procedures**, objective and clearly defined award criteria, and the effective management of **conflicts of interest**, thereby reducing opportunities for favouritism, bid manipulation, and undue influence.
- It further emphasises the importance of **systematic transparency and accountability mechanisms**, including the use of digital procurement systems and procurement data, to support monitoring and oversight.

These elements are directly relevant for competition policy, as they facilitate the detection of red flags associated with **bid rigging and collusion**, enable the development of screening tools, and support co-operation between procurement bodies and competition authorities. Overall, the Recommendation reflects the view that safeguarding integrity and promoting effective competition are mutually reinforcing objectives in public procurement.

Source: OECD (2015^[14]) Recommendation on Public Procurement, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0411>.

18. The OECD identifies discretionary and poorly designed procurement procedures as a common facilitating factor for both corruption and collusion. Vague technical specifications, limited competition, predictable tender outcomes, and a lack of objective award criteria not only create opportunities for corrupt influence but also make collusive arrangements easier to establish and sustain (OECD, 2025^[15]).

3.2. Transparency in Public Procurement

19. An area of potential divergence in addressing corruption and collusion risks is the transparency of the procurement process. Greater transparency can deter corruption by exposing decision-making to public scrutiny, yet it may simultaneously facilitate collusion by making bidding behaviour more observable. These tensions underscore the need for balanced policy design.

20. Transparency is a foundational principle of sound public procurement systems, playing a key role in promoting competition, integrity and value for money. By ensuring equal access to information, transparency helps level the playing field for all potential suppliers, including small and medium-sized enterprises, and reduces information asymmetries that may otherwise deter participation. It also strengthens accountability by enabling scrutiny of procurement decisions, thereby mitigating the risks of favouritism, corruption and inefficiency.

21. At the same time, the relationship between transparency and competition is not unidirectional and requires careful calibration. While greater openness can broaden participation, build trust and lead to more competitive offers and improved outcomes, economic literature points to important tradeoffs. Some research shows that detailed and early disclosure of bids, bidder identities and outcomes can facilitate collusion by allowing firms to monitor each other and sustain cartel arrangements (Spagnolo, 2006^[19]). Transparency, particularly when it is not accompanied by appropriate safeguards regarding the scope, timing, and granularity of disclosure—may inadvertently increase predictability and ease co-ordination among suppliers, especially in concentrated markets. In this context, the “Transparency principle” of the OECD Recommendation on Public Procurement highlights the need to “Promote fair and equitable treatment for potential suppliers by providing an adequate and timely degree of transparency in each phase of the public procurement cycle, while taking into account the legitimate needs for protection of trade secrets and proprietary information and other privacy concerns, as well as the need to avoid information that can be used by interested suppliers to distort competition in the procurement process OECD (2015^[14]).

22. This trade-off is linked to broader design choices regarding rules and discretion in procurement. Highly standardised and fully transparent procedures can limit corruption by constraining discretion but

may also make it easier for firms to observe rivals' behaviour and coordinate over time. Conversely, discretionary procedures may reduce the information available for collusive monitoring but can expose procurement processes to corruption risks if not coupled with sufficient competition and oversight (De Carolis, n.d.^[20]). As a result, the effectiveness of transparency measures depends not only on their extent but also on their design and interaction with market structure and institutional quality.

23. Overall, the evidence highlights that transparency in public procurement is not a unidimensional objective but must be embedded within a broader governance framework. As highlighted in the OECD Recommendation on public procurement, effective procurement systems require a balanced, risk-based approach that differentiates between forms of transparency that enhance participation and accountability (e.g. clear procedures, equal access to tender information) and those that may facilitate collusion (e.g., detailed and timely disclosure of commercially sensitive information). Consistent with OECD recommendations, this calls for carefully designed disclosure rules, to ensure that transparency simultaneously supports competition and safeguards integrity. Indicatively, the OECD Guidelines for Fighting Bid Rigging in Public Procurement recommends to (OECD, 2025^[17]):

- Resolve suppliers' queries on the tender process and specifications on-line and anonymously.
- Limit as much as possible communications between bidders during the tender process.
- Use electronic procurement for all stages of the procurement process, if feasible.
- Bidders should not be able to identify each other.
- Avoid, wherever possible, a public opening of bids and do not disclose the identity or number of bidders to other market participants during the tender process.
- Avoid disclosing sensitive information.
- Even if external consultants are used to set the tender specifications, conduct the procurement process in-house.

3.3. Red Flags for Detection

24. Detecting corruption and collusion in public procurement relies on identifying and interpreting warning signs, commonly referred to as "red flags".

25. As highlighted in the OECD Anti-Corruption and Integrity Outlook 2026, many institutions increasingly rely on procurement indicators to flag potential integrity risks including collusion. Commonly used metrics include the incidence of single bidding —measuring the share of contracts awarded following a tender that attracted only one bidder—, the use of non-competitive procedures (such as negotiated procedures without prior publication), and the frequency of contract modifications (Arozanem L., 2025^[18]). While these indicators can reflect a range of legitimate factors—such as market structure, capacity constraints, or procurement design—they may also signal integrity breaches. Therefore, the relationship between these indicators and integrity breaches is therefore complex and oversimplification could lead to ineffective policy responses.

26. It is particularly relevant to assess indicators in light of country, sectoral, and market specific conditions, and to further investigate underlying causes. Empirical evidence underscores the limitations of relying on standard red flags in isolation. For example, data from the Italian public procurement system, shows that commonly used indicators—such as procedure type and number of bidders—have limited predictive power on their own. Detection improves significantly when these are complemented with additional information, including patterns in subcontracting, geographic concentration, and specific tender characteristics (De Carolis F., 2020^[21]).

27. Procurement data on single bidding, non-competitive procedures, and contract amendments are widely available and, when combined with other indicators, can provide valuable information. For example, single bidding rates—measuring the share of contracts awarded following a tender that attracted only one bidder—have increased significantly in Europe over the past decade for above-threshold contracts. In particular, the European Court of Auditors finds that the proportion of single-bid procedures almost doubled between 2011 and 2021, rising from around 23.5% to over 40%, pointing to a marked decline in competitive pressure in EU procurement markets³. This trend may reflect structural factors such as limited supplier pools, complex or restrictive tender design, geographic constraints, or insufficient supplier outreach. However, in markets where effective competition would be expected, persistent single bidding patterns may also point to favouritism, collusion, or other forms of misconduct.

28. Collusion related indicators include patterns such as bid rotation, cover bidding, identical bids or pricing structures, and market allocation schemes. These patterns may be reinforced or facilitated by corrupt conduct, for example through the leakage of confidential information or the deliberate tailoring of tender specifications. A key analytical challenge lies in distinguishing corrupt behaviour from coordinated anticompetitive conduct. Apparent collusive outcomes may in some cases result from the actions of a single corrupt official, while cartel behaviour may arise even in otherwise “clean” procurement processes.

29. The identification of red flags relies heavily on the digital transformation of public procurement as they rely extensively on public procurement data (OECD Publishing, 2025^[22]). Advances in data analytics and screening tools offer new opportunities to address these challenges (OECD, 2022^[23]). Procurement datasets can be used to detect anomalous bidding patterns across tenders, suppliers, and contracting authorities. Integrating procurement data with complementary sources—such as corporate registries, beneficial ownership information, and records of past sanctions—can further strengthen authorities’ capacity to identify risks and uncover complex schemes involving both corruption and collusion. Yet, there are still challenges related to data accessibility and data quality.

4 Fighting Corruption and Collusion

4.1. Enforcement in Cases where both Corruption and Collusion are present

30. Enforcement experience across jurisdictions illustrates several instances of intersection of corruption and collusion in public procurement. In some cases, bribery or undue influence facilitates bid-rigging schemes by ensuring outcomes or protecting cartel members from detection. In others, cartels rely on corruption to neutralise competitive challenges (OECD, 2014^[11]).

31. Corruption and collusion are addressed under distinct legal frameworks and enforcement mechanisms. While anticompetitive conduct by firms is pursued under competition law, anti-corruption authorities and/or public prosecutors enforce anti-corruption laws. Corruption offences are typically criminal and generally fall within the remit of the general criminal justice system. The distinct legal frameworks can result in separate proceedings that may occur in parallel or sequentially. In some cases, investigations into corruption can reveal the existence of a parallel collusive scheme (Anderson, 2024^[3]). Conversely, while examining bid-rigging practices, competition authorities may uncover the involvement of corrupt public officials in procurement processes. Such overlaps highlight the importance of effective coordination between authorities, consistent outcomes, and efficient procedures.

32. Cases of collusion and corruption in public procurement can display common structural features, particularly in large-scale infrastructure and construction projects where high contract values, frequent interaction among a limited number of firms, and complex tendering processes create conditions conducive to bid rigging and market allocation. Famous examples include Brazil's Operation Car Wash (Operação Lava Jato), which uncovered a large-scale corruption scheme. Investigations by the Brazilian competition authority (CADE) revealed cartels among construction companies in engineering and port works contracts⁴. In Canada, the Charbonneau Commission and the Competition Bureau examined corruption and collusion in Quebec's construction industry⁵.

4.2. The Importance of Institutional Cooperation and Coordination

33. Institutional cooperation is particularly important, given the fragmented legal framework and allocation of powers across competition, anti-corruption, and criminal enforcement authorities. The OECD Guidelines on Fighting Bid Rigging emphasise that co-operation among competition, procurement, anti-corruption and other relevant law enforcement authorities is a core pillar of effective prevention, detection and enforcement (OECD, 2025^[17]). The Guidelines highlight the importance of exchanging data, information and experiences, setting up working groups, enabling staff exchanges, and relying on domestic and/or international co-operation instruments. However, in practice, legal constraints, confidentiality rules and institutional fragmentation frequently impede information-sharing and joint action, reducing the overall effectiveness of enforcement systems.

34. OECD experience suggests that co-operation typically evolves across three reinforcing dimensions. First, authorities must develop mutual awareness of their respective mandates, investigative tools and evidentiary needs to enable the identification and referral of relevant cases. Second, building trust through repeated interactions such as joint training, secondments or informal exchanges—is

essential to facilitate timely and effective collaboration. Third, robust legal frameworks are required to enable secure information-sharing and joint investigations while safeguarding confidentiality and procedural rights (OECD, 2010^[10]).

35. Greater coordination and collaboration among relevant authorities can strengthen efforts to prevent, detect and address corruption and collusion. A crucial form of collaboration is the ability to exchange information and evidence between authorities investigating the same conduct under different legal frameworks, such as competition, anti-corruption or criminal law. For instance, competition authorities may uncover evidence of corruption while investigating a bid-rigging case and share it with criminal prosecutors, while corruption investigations may reveal conduct relevant to a competition law infringement and be referred to the competent competition authority.

36. The admissibility of transfer of evidence obtained in criminal corruption cases to competition cases presents particularly complex legal challenges and has been scrutinised by Courts in different jurisdictions sometimes reaching diverging conclusions as shown in Box3.

Box 3. Transfer of evidence from criminal to antitrust cases

Italy. The Italian Competition Authority investigated a bid rigging case among the main suppliers of electromechanical goods and services for rail traction to the main railway operator Trenitalia, in twenty-four public procurement procedures. The case was opened ex officio on press reports of an alleged cartel that had emerged during a criminal investigation. AGCM acquired evidence from the criminal file, including transcripts of intercepted telephone communications with the authorisation of the competent criminal prosecutor. This case is a landmark precedent in Italian law on the admissibility, in administrative antitrust proceedings, of evidence obtained through criminal investigations. The administrative courts held that Article 270 of the Code of Criminal Procedure — which prohibits the use of intercepted communications in criminal proceedings other than those in which the interception was authorised — is confined to the criminal domain and does not extend to administrative proceedings governed by different evidentiary rules. Intercepted communications lawfully acquired with the Prosecutor's authorization are therefore admissible as elements contributing to the overall evidentiary picture, to be evaluated under the principle of free appraisal of evidence. The Council of State confirmed this approach in its judgment No. 4211/2018.

Latvia. A recent decision in Latvia went in the opposite direction. The Administrative Case Department of the Supreme Court Senate concluded that information provided by the Corruption Prevention and Combating Bureau (KNAB) to the Latvian Competition Council in a bid rigging case in the construction sector, obtained through operational activities (wiretaps) in a criminal investigation, is not admissible as evidence in competition law proceedings and cannot be used to prove the existence of a cartel agreement. The Senate pointed out that the detection of cartels is not included in the tasks and objectives set out in the Operational Activities Law, and therefore concluded in its judgment that the persons involved in the cartel do not and cannot have grounds to expect that the information obtained in the course of operational activities may be transferred and used in administrative proceedings to prove the existence of a cartel agreement. Therefore, the Administrative Regional Court will have to assess whether the legality of the Competition Council's decision is justified by other evidence in the case.

Source: Case I759 (AGCM decision No. 25488 of 27 May 2015); Competition Council of Latvia (2026^[24]), The Supreme Court ruling in the Builders' Cartel case restricts cooperation between law enforcement agencies and their ability to uncover serious competition violations, <https://www.kp.gov.lv/en/article/cc-supreme-court-ruling-builders-cartel-case-restricts-cooperation-between-law-enforcement-agencies-and-their-ability-uncover-serious-competition-violations>; Baltic News Network (2026^[25]) Competition Council criticizes Supreme Court ruling in construction cartel case, <https://bnn-news.com/competition-council-criticizes-supreme-court-ruling-in-construction-cartel-case-275843>.

37. In recent years, some authorities have developed practical mechanisms to overcome co-ordination barriers. These include formal instruments such as memoranda of understanding, joint task forces and shared databases, as well as structured informal co-operation arrangements (Anderson, 2024^[3]). A limited number of jurisdictions have developed more integrated or coordinated approaches to addressing the intersection of corruption and collusion in public procurement. These frameworks typically rely not on fully unified legal regimes, but on structured cooperation between competition, criminal, and anti-corruption authorities. For example, the United States has established a dedicated inter-agency mechanism—the Procurement Collusion Strike Force⁶—which brings together competition enforcers, prosecutors, and investigative bodies to address bid rigging, fraud, and corruption in a coordinated manner. In the United Kingdom, closer alignment has been achieved through formal cooperation arrangements between the Competition and Markets Authority and the Serious Fraud Office⁷, enabling parallel or joint investigations in cases involving both cartel conduct and corruption. Similar forms of functional integration can be observed in other jurisdictions, including Italy, where the competition authority (AGCM) and the National Anti-Corruption Authority (ANAC) cooperate under formal agreements providing for information sharing, joint activities and mutual reporting of suspected collusion in public procurement, including in parallel with criminal investigations⁸. In France, cooperation between the Autorité de la concurrence (FCA) and the Parquet national financier (PNF) has developed in the context of the growing intersection between competition law and the repression of corruption and financial crime⁹.

38. More recently, some jurisdictions have moved towards inter-agency task forces and data-sharing platforms to strengthen detection and enforcement. For example, in Brazil, a technical co-operation agreement between the competition authority (CADE) and the Office of the Comptroller General (CGU) aims to improve the efficiency of cartel investigations through closer integration and information exchange. This co-operation has translated into operational actions, including joint investigations and dawn raids targeting bid rigging and corruption in public procurement markets¹⁰. Similarly, Hong Kong provides an example of advanced operational co-ordination: the Competition Commission and the Independent Commission Against Corruption have conducted joint enforcement operations addressing both bid rigging and bribery schemes, combining investigative powers to uncover complex, multi-layered misconduct¹¹.

39. Co-ordination is also critical at later stages of enforcement, particularly in the design of sanctions and remedies. Uncoordinated enforcement may lead to overlapping penalties or inconsistent outcomes, which can undermine deterrence or discourage co-operation mechanisms such as leniency or self-reporting. A coherent approach can enhance predictability, strengthen deterrence and support compliance. In this context, complementary measures such as compliance programmes, debarment regimes and integrity pacts can reinforce both competition and integrity objectives when applied in a consistent and co-ordinated manner.

40. Overall, international experience underscores that co-operation is not ancillary but central to effective enforcement in procurement markets. Given the interlinked nature of collusion and corruption risks, fragmented approaches are unlikely to deliver effective outcomes. Instead, a whole-of-government approach—combining legal frameworks for information-sharing, institutional trust, operational co-ordination and coherent sanctioning policies—is essential to detect, deter and sanction misconduct, while preserving due process and maintaining confidence in public procurement systems.

4.3. Leniency and Self-Reporting in the Presence of Corruption

41. Detection and investigation of cartels in general and bid rigging cases often rely on a combination of leniency programs, whistleblower reports, procurement audits, data analysis, and traditional investigative tools such as dawn raids and forensic IT.

42. OECD work in 2018 highlighted, however, a potential tension between criminal antitrust enforcement and the effectiveness of leniency programmes. While criminalisation (including individual sanctions such as imprisonment) strengthens deterrence, it can simultaneously reduce incentives to self-report, particularly for individuals whose personal exposure is not fully neutralised by corporate leniency. In this context, the OECD underlined that leniency programmes, though central to cartel detection, may be undermined when criminal enforcement frameworks do not align sufficiently with immunity or protection mechanisms, especially where individuals remain exposed despite corporate cooperation (OECD, 2018^[26]). This issue might be particularly relevant in cases where the underlying conduct has elements of both collusion and corruption, since criminal enforcement against corruption can impact the incentives to apply for antitrust leniency. In Europe Article 23 of Directive (EU) 2019/1 (ECN+ Directive) seeks to ensure that leniency programmes remain effective in a context where individuals involved in cartels may also face criminal sanctions. It requires Member States to put in place safeguards governing the interplay between applications for immunity from fines and sanctions on natural persons, so that individuals who cooperate with competition authorities through a leniency application are not unduly discouraged by exposure to criminal liability¹².

43. Closer alignment between criminal enforcement policies and leniency frameworks— ensuring clarity, predictability, and adequate protection—should be pursued to strengthen cartel enforcement in presence of criminalization (OECD, 2023^[27]).

5 Conclusion and Issues for Discussion

44. Corruption and collusion in public procurement are closely interconnected risks that require a coherent and coordinated policy response. As this Issues Paper has shown, both phenomena are often driven by common structural and governance weaknesses, and their interaction can amplify distortive effects on competition, public spending, and trust in institutions. Addressing these challenges effectively calls for a holistic approach combining sound procurement design, robust integrity frameworks, and effective competition enforcement. It also requires strengthened institutional cooperation, improved use of data and analytical tools, and careful alignment of enforcement mechanisms, including leniency and criminal sanctions. While important progress has been made in many jurisdictions, significant challenges remain in ensuring consistent implementation, overcoming legal and institutional fragmentation, and managing potential tensions between policy objectives. Continued dialogue and experience-sharing among competition authorities, anti-corruption bodies, prosecutors, and procurement agencies will therefore be essential to identify good practices and to develop more integrated and effective responses that safeguard both competition and integrity in public procurement systems.

Issues for discussion

- Which conditions increase the risk of corruption and where do these conditions align with collusion risk factors (e.g., stable demand, few bidders, barriers to entry), and where do they diverge?
- Which corruption red flags your NCA (or procurement authority) might integrate into existing screening tools or data analytics?
- What cases from your jurisdiction have involved both corruption and collusion in public procurement?
- What legal rules govern evidence sharing between NCAs, prosecutors, anti-corruption agencies, or procurement authorities?
- Are there MOUs, protocols, or firewalls in your jurisdiction to reconcile confidentiality with effective enforcement? Please include examples (successes and challenges).
- Does your leniency programme cover only competition infringements or also corruption/bribery offences?
- If corruption is not covered, does this deter self-reporting by firms fearing criminal exposure? What solutions exist (e.g., coordinated leniency/plea frameworks, non-prosecution agreements, conditional waivers, or safe harbour arrangements)?
- Share examples of successful or failed attempts to coordinate leniency across competition and anti-corruption enforcement, including obstacles (e.g., self-incrimination risks, privilege).

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Endnotes

¹ A single figure quantification of the economic impact of corruption is not easy, since there are significant country and sector differences. Several studies offer country/sector estimates on the effect on prices. (Fazekas, M. and Toth, B., 2018^[33]) provide a review of the literature on the cost of corruption and estimate an average increase in prices by 30–35% in European infrastructure development and maintenance in 2009–2014 with largest excesses in high corruption risk regions.

² The agent (public official) purchases on behalf of its principal (the government or its citizens) with money that is not their own, creating a misalignment of incentives that can facilitate corruption.

³ See [Special report 28/2023: Public procurement in the EU](#)

⁴ See [Operation Car Wash: CADE signs an agreement with the Andrade Gutierrez company in an investigation of cartel in port works — Conselho Administrativo de Defesa Econômica](#)

⁵ See <https://www.ibanet.org/article/c0e31257-302e-4e70-b937-9b660fa860df>

⁶ See <https://www.justice.gov/atr/procurement-collusion-strike-force>

⁷ See CMA and SFO Memorandum of Understanding at <https://www.gov.uk/government/publications/cma-and-sfo-memorandum-of-understanding>

⁸ See [AGCM - Italian Competition Authority: Renewal of the Memorandum of Understanding with the Anti-corruption Authority](#)

⁹ The PNF, a specialised prosecution office with national jurisdiction, is responsible for handling complex economic and financial offences, including corruption, and has progressively extended its activity to competition-related offences. [Présentation du PNF | Tribunal de Paris](#)

¹⁰ For more information on the Memorandum of Understanding and joint dawn raids see: [CADE and CGU sign agreement to improve efficiency in cartel investigations — Conselho Administrativo de Defesa Econômica](#) [Cade, CGU e PRF realizam operação para apurar suposto cartel em licitação de obras de engenharia rodoviária — Polícia Rodoviária Federal](#) and [Cade, PF e CGU realizam operação para investigar possível cartel em licitações de obras emergenciais em rodovias federais — Conselho Administrativo de Defesa Econômica](#)

¹¹ See https://www.icac.org.hk/en/p/press/index_id_1933.html

¹² [ECN+ Directive - Competition Policy - European Commission](#)