

Bidder Pleads Guilty to Riggings Bids at Online Auctions for Surplus Government Equipment - GSA Office of Inspector General

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A Missouri man pleaded guilty today to rigging online bids submitted to the General Services Administration (GSA).

According to court documents, Alan Gaines pleaded guilty to the one-count indictment filed in the U.S. District Court in Minneapolis on Jan. 30, 2020. According to the indictment, Gaines conspired with others to rig bids at online public auctions of surplus government equipment conducted by the GSA from about July 2012 until as late as May 2018. Gaines is the third individual charged and the third individual to plead guilty in the investigation.

“For years, the defendant’s self-serving scheme stole from the government and robbed American taxpayers,” said Acting Assistant Attorney General Richard A. Powers of the Department of Justice Antitrust Division. “I commend the team of GSA Office of Inspector General (OIG) agents and Antitrust Division prosecutors and paralegals for their dedication to safeguarding online auctions from collusion.”

“Competition is a fundamental component of any fair auction,” said Inspector General Carol F. Ochoa of the GSA. “GSA OIG will continue to investigate allegations of collusive activities that undermine the integrity of GSA Auctions and short-change the taxpayer.”

The GSA operates GSA Auctions, which offers the general public the opportunity to bid electronically on a wide variety of federal assets, including computer equipment that is no longer needed by government agencies. GSA Auctions sells that equipment via its online auctions, and the proceeds of the auctions are distributed to the government agencies or the U.S. Treasury general fund.

According to the indictment, the primary purpose of the conspiracy was to suppress and eliminate competition. The indictment further alleges that Gaines and his co-conspirators obtained the equipment by agreeing which co-conspirators would submit bids for particular lots offered for sale by GSA Auctions and which co-conspirator would be designated to win a particular lot.

Gaines pleaded guilty to a violation of the Sherman Act. He faces a maximum of 10 years in prison and a \$1 million criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The GSA Office of Inspector General Great Lakes Regional Investigations Office in Chicago is investigating the

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case.

The Antitrust Division's Chicago Office is prosecuting the case.

Anyone with information concerning bid rigging or fraud related to GSA auctions should contact the Chicago Office of the Antitrust Division at 312-984-7200, the Antitrust Division's Citizen Complaint Center at 888-647-3258, or visit www.justice.gov/atr/contact/newcase.html or email the GSA Office of Inspector General at fraudnet@gsaig.gov.

Source: U.S. Department of Justice [press release](#).