



OFFICE OF THE  
**UTAH STATE AUDITOR**

**Auditor Alert – 2016-01**

**Subject: Procurement – Offering and Acceptance of Gifts**

**Date: March 15, 2016**

**Background**

We recently received reports that some vendors have offered procurement officials and other employees at school districts a “free gift” in exchange for signing a contract for a procurement item (Good, Service, or Technology). The offer of a “free gift” in exchange for signing a contract is a violation of the State Procurement Code.

**Advisory and Recommendation**

*Utah Code 63G-6a-2404 Unlawful Conduct and Penalties* prohibits:

1. Vendors from offering a gift valued at over \$10 to a procurement professional;
2. Procurement professional from accepting a gift valued at over \$10;
3. Vendors from offering a gift of any value to a public entity in exchange for a contract;  
and
4. A public entity from accepting a gift of any value from a vendor in exchange for a contract.

Public officials and entities should consult with counsel and avoid situations that may constitute a violation of the procurement code. Violations of the section cited above are considered criminal offenses under the law.