

What types of fraud are found in the SBIR Program?

Fraud can take on many forms in the Small Business Innovation Research (SBIR) Program. In the proposal stage, this can include submitting a plagiarized proposal; providing false information regarding the company, the Principal Investigator (PI), or work to be performed; seeking funding for work that has already been completed; or submitting duplicate proposals to multiple agencies for the same work.

Once a proposal is awarded, fraudulent activities include using award funds for personal use or for any use other than the proposed activities; submitting plagiarized reports or reports falsely claiming work has been completed; or claiming results for an award that were funded by a different source.

Which SBIR rules should you be particularly familiar with?

- Duplicate or overlapping proposals may not be submitted to multiple agencies without full disclosure to all agencies.
- The company must meet SBA's requirements for a small business, including being majority American owned and have 500 employees or fewer.
- The PI's primary employment must be with the company during the grant period. The PI may not be employed full time elsewhere.
- For Phase I, a minimum of two thirds of the research effort must be performed by the awardee (i.e., small business); for Phase II, a minimum of one-half of the research effort must be performed by the awardee (i.e., small business). Work performed by a university research lab, subcontractor or consultant is NOT work completed by the awardee.
- University employees participating on an SBIR award should disclose their involvement to the university as well as their use of university facilities.

What if you break the rules?

If you commit fraud or other wrongdoing in applying for or carrying out a DHS SBIR award, DHS OIG will investigate.

DHS OIG refers violations of civil or criminal law to the Department of Justice (DOJ). If DOJ prosecutes you for fraud or false statements, you may be sentenced to prison and required to pay full restitution. If DOJ pursues a civil action under the False Claims Act, you may have to pay treble damages and \$11,000 for each false claim. In addition, DHS may terminate your awards and debar you from receiving grants or contracts from any federal agency.

Whom should you contact?

For any questions regarding your proposal or award, contact your DHS SBIR Program Manager.

To report suspected fraud, waste or abuse, contact DHS OIG.

Who are we?

Each federal agency has an independent Office of Inspector General (OIG) charged with conducting objective audits and investigations, as well as preventing and detecting fraud, waste, and abuse. Within DHS OIG, the Office of Investigations handles allegations of wrongdoing involving organizations or individuals that receive awards from, conduct business with, or work for DHS.

What do we do?

We investigate allegations in which DHS is the potential victim of fraud by employees, grantees, contractors, or others. We receive allegations from many sources, including proposal reviewers, agency employees, the OIG hotline, other OIG offices, and the public. We also handle all allegations of research misconduct involving DHS proposals and awards.

For additional information or to report wrongdoing, contact us at:

Anonymous Hotline: 1-800-323-8603

Email: DHSOIGHOTLINE@dhs.gov

Fax: 202-254-4292

Mail: Department Of Homeland Security
Office of Inspector General
Attn: Office of Investigations - Hotline
245 Murray Drive SW, Bldg. 410
Washington, DC 20528

Department of Homeland Security

Office of Inspector General

Office of Investigations



Fraud and the SBIR Program