

Semiannual Report to Congress

October 1, 2024 – March 31, 2025



Message from the Deputy Inspector General

April 30, 2025

I am pleased to present the U.S. Small Business Administration (SBA) Office of Inspector General's (OIG) Spring 2025 *Semiannual Report to Congress*. This report summarizes OIG's activities from October 1, 2024 through March 31, 2025.

Since 2020, our office has provided taxpayers with more than a 68-fold return on investment, which includes dollar accomplishments exceeding \$14 billion for SBA's Coronavirus 2019 (COVID-19) pandemic assistance programs. Since March 2020, OIG investigations have resulted in 1,632 indictments, 1,213 arrests, and 1,045 convictions. Additionally, OIG's Audits Division has produced 52 reports and 142 recommendations with \$18.5 billion in questioned costs.

Our collaboration with SBA, the U.S. Secret Service, and other federal agencies and financial institutions has led to the return of nearly \$30 billion in COVID-19 Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) funds from seizures, financial institutions, and borrowers. OIG has played a critical role in these recoveries through partnerships, education efforts, and fraud deterrence initiatives.

We've seen success in audit oversight as well. Consistent with our oversight recommendations in our management advisory *Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans* (Report 23-16) and inspection report *SBA's Guaranty Purchases for Paycheck Protection Program Loans* (Report 24-20), the agency has conducted comprehensive cost-benefit analyses that justify pursuing collections of \$30 billion in EIDLs and PPP loans under \$100,000.

In June 2023, we estimated SBA's missing or weakened internal controls resulted in the disbursement of over \$200 billion in potentially fraudulent PPP loans and COVID-19 EIDLs to those who exploited internal control vulnerabilities. SBA OIG is positioned to be the most effective and efficient force against the pandemic assistance fraudsters who stole funds from eligible small business owners and exploited the public trust.

Our office requires adequate funding to investigate these complex criminal networks before the 10-year statute of limitations on PPP and EIDL fraud expires. We have recovered billions so far with our law enforcement partners, demonstrating our capability to root out fraud, waste, and abuse and promote integrity and efficiency in SBA's programs and operations.

Our Work this Period

During this reporting period, OIG continued to bring fraudsters to justice and provide an exponential return on investment to American taxpayers. During the 6-month period from October 2024 through March 2025, OIG issued 10 reports with 71 recommendations to improve SBA operations and reduce fraud and unnecessary losses in agency programs. We questioned \$1.4 billion in costs from our oversight reviews. In addition, OIG investigations resulted in 90 indictments, 117 convictions, and \$302 million in dollar accomplishments — bringing our total monetary accomplishments to about \$1.7 billion.

OIG Accomplishments this Period		
	Reports	10
	Recommendations	71
	Dollar Accomplishments	\$1.7B

Significant reviews and investigation findings this semiannual period:

- Our investigators uncovered a national criminal scheme — unprecedented in its scope — involving over \$198 million in PPP Loans funded through a financial technology company and two other lenders that capitalized on taxpayer funds intended to help struggling small business owners during an economic crisis. The Oregon couple who founded the fintech was indicted for allegedly using fabricated documents to inflate loan amounts and then charge borrowers illegal kickbacks based on a percentage of funds received. This case is the tip of the iceberg of a vast network that has so far seen multiple indictments of customers and co-conspirators, including two Arizona brothers who pled guilty in a \$109 million kickback scheme.
- An Arkansas man was sentenced to 196 months imprisonment and 3 years of supervised release for fraudulently obtaining over \$3.3 million in EIDL and PPP funding. He was ordered to pay \$16.3 million in restitution and forfeit \$4.3 million as part of a pandemic assistance kickback scheme.
- In a groundbreaking collaboration with the U.S. Department of Labor OIG, we identified about \$2.3 billion in potentially fraudulent EIDLs disbursed, including 1,124 loans SBA had already flagged with hold codes, totaling nearly \$178 million; 6,164 that were identified as part of SBA OIG’s fraud landscape white paper, totaling nearly \$690 million; and 10,971 newly identified potentially fraudulent EIDLs totaling nearly \$1.4 billion. We made three recommendations to SBA to improve data sharing, detect and mitigate fraud, and recover funds from ineligible recipients (Report 25-06).

OIG is committed to oversight excellence and partnering across government to promote integrity, efficiency, and effectiveness within SBA's programs and operations for the benefit of the American people and small businesses.

A handwritten signature in black ink, reading "Sheldon Shoemaker". The signature is fluid and cursive, with the first name "Sheldon" and last name "Shoemaker" clearly distinguishable.

Sheldon Shoemaker

Deputy Inspector General

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NOTICE:

Pursuant to the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Public Law 117-263, Section 5274, any nongovernmental organizations and business entities identified in this report have the opportunity to submit a written response for the purpose of clarifying or providing additional context as it relates to any specific reference contained herein. Comments must be submitted to AIGA@sba.gov within 30 days of the final report issuance date. We request that any comments be no longer than two pages, Section 508 compliant, and free from any proprietary or otherwise sensitive information. The comments may be appended to this report and posted on our public website.

SBA's Top Management and Performance Challenges

The U.S. Small Business Administration's (SBA) Office of Inspector General (OIG) is required to annually report on the most serious management challenges facing the agency in accordance with the Reports Consolidation Act of 2000 and Office of Management and Budget Circular A-136.

The management challenges report is an important tool to help the agency prioritize its work to improve program performance and enhance operations. OIG remains committed to protecting the interests of American taxpayers by promoting positive change within SBA and across government, ensuring taxpayer dollars are spent efficiently according to intent.

Identification of an issue as a top challenge does not necessarily denote significant deficiencies or lack of attention on SBA's part. Many of the challenges are longstanding and inherently difficult. Addressing the challenges will require consistent attention from agency management and ongoing engagement with Congress, the public, and other stakeholders. You can find the *Top Management and Performance Challenges Facing the Small Business Administration in Fiscal Year 2025* in the [Reports section of the SBA OIG website](#).

Fiscal Year 2025 Challenges

Challenge 1

Protecting the Integrity of SBA Programs

Issues:

- Managing Fraud Risk
- Improving Verification of Eligibility
- Mitigating Improper Payments
- Seizure and Return of Funds

Challenge 2

Managing SBA's Loan Portfolio and Participating Lenders

Issues:

- Servicing Disaster Loans
- Overseeing Lenders

Challenge 3

Measuring Performance and Monitoring SBA Programs

Issues:

- Measuring Program Performance
- Monitoring Program Performance Results
- Ensuring Funds Are Used for Intended Purposes

Challenge 4

Managing Data

Issues:

- Storing, Monitoring, and Analyzing Program Data
- Sharing Authorized Data Between Government Agencies
- Evaluating and Improving Data Reliability

Challenge 5

Managing Risks in Information Technology Systems and Cybersecurity

Issues:

- Improving Information Technology Systems Management
- Preparing for Artificial Intelligence Challenges
- Deploying and Monitoring New Third-Party Systems
- Complying with Federal Information Security Modernization Act Management Requirements

Summary of OIG Oversight Work

Small Business Access to Capital

SBA provides small businesses with capital and financial assistance through several key programs. The agency has a financial assistance portfolio of guaranteed loans totaling about \$156 billion, as of September 2024.

The Section 7(a) loan program is SBA's principal vehicle for providing small businesses with access to credit that cannot be obtained elsewhere. Recipients may use proceeds from a 7(a) loan to establish a new business or assist in acquiring, operating, or expanding an existing business. This program relies on numerous outside parties (such as borrowers, loan agents, and lenders) to complete loan transactions.

SBA has made significant policy changes to its traditional 7(a) loan program with the goal of helping expand access to capital, including increasing non-bank lender participation. These lenders are considered by SBA to be higher risk than those lenders with federal regulators and require more oversight by SBA. OIG has also conducted prior audit work related to third-party service providers in the 7(a) program. For this reporting period, we assessed the risk associated with non-bank lenders in the Paycheck Protection Program (PPP) and SBA's use of hold codes for potentially fraudulent PPP loans reported by lenders. Congress created the PPP, appropriating \$792 billion total, in response to the Coronavirus Disease 2019 (COVID-19) pandemic's widespread economic effects on the U.S. economy.

Criminals use a wide array of techniques to fraudulently get — or induce others to obtain — SBA-guaranteed loans. The techniques include submitting fraudulent documents, making fictitious asset claims, manipulating listed property values, using loan proceeds contrary to the terms of the loans, and failing to disclose debts or previous criminal records. Consequently, because of these criminal activities, there is a greater chance of financial loss to the agency and its lenders. OIG dedicates a significant portion of its resources to identifying wrongdoers and, whenever possible, recovering taxpayer funds.

The following summarizes our audit and investigative work this period.

Inspections and Evaluations



SBA's 504 Loan Liquidation Process (Report 25-02)

We conducted a verification inspection of SBA's corrective actions for the two recommendations from our Report 16-23, *SBA's 504 Loan Liquidation Process*.

SBA's 504 Certified Development Company loan program provides small businesses with long-term, fixed-rate financing to purchase land, buildings, machinery, and other fixed assets. The loans are funded through a variety of sources, including private sector lenders, proceeds from selling SBA-guaranteed debentures, and borrower equity investments. A third-party lender must provide at least 50 percent of the project's financing, the certified development company provides up to 40 percent through a 100 percent SBA-guaranteed debenture, and the applicant provides at least 10 percent. SBA is responsible for liquidating the assets in the event of a default on the loan. Specifically, SBA's Fresno and Little Rock commercial loan service centers are responsible for managing 504 loan liquidation operations.

We determined SBA implemented our recommendations by establishing a training plan and holding training courses on 504 loan liquidations for both commercial loan service centers, and that SBA continued to conduct reviews of commercial loan service centers internal guidance, systems, and practices to ensure that 504 loans are liquidated consistently nationwide.

Access this [verification inspection](#) on the SBA OIG Reports site.



SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans (Report 25-04)

We assessed SBA's oversight of non-bank lenders, including financial technology, and third-party service providers in the PPP. Over 5,300 lenders, including bank and non-bank lenders, participated in the PPP. The primary distinction between the two is that non-bank lenders are not federally regulated. Both were allowed to partner with third-party service providers to assist in the PPP loan process. We examined PPP loans processed between April 2020 and May 2021 that had submitted forgiveness applications.

We found SBA could enhance its oversight of non-bank lenders, including fintechs, and service providers to promote program integrity and reduce financial loss. Executive and legislative actions led SBA to reduce or eliminate barriers for PPP borrowers, resulting in a significant increase in loans made by non-bank lenders. Hold harmless provisions protected lenders from consequences

if the lender complied with applicable legal requirements. Reduced controls and limited oversight increased the risk of fraud.

We found that non-bank PPP lenders made \$14.2 billion in suspected fraudulent loans at a rate more than five times higher than loans made by traditional bank lenders, nearly 43 percent of which was made by lenders categorized as fintechs and other State Regulated Finance Companies. Loans involving service providers had a suspected fraud rate more than three times higher than loans made without a service provider.

We made six recommendations for SBA to strengthen oversight of non-bank lenders and service providers. Management agreed with five of our six recommendations and partially agreed with one.

Access this [evaluation report](#) on the SBA OIG Reports site.



SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders (Report 25-07)

We reviewed SBA's use of hold codes for potentially fraudulent PPP loans referred by lenders. We found opportunities exist for SBA to enhance its handling of lender-referred PPP loans suspected of fraud or illegal activity and its process for capturing these loans to ensure they are promptly flagged to mitigate fraud risk and financial loss. SBA's Office of Credit Risk Management established a project for lenders to refer PPP loans suspected of fraud or illegal activity; however, we found that SBA did not flag all suspicious loans referred by lenders with a hold code or capture all the loans in its summary workbook. This delayed response for flagging the loans was inconsistent with SBA's established procedures and how other program offices handled lender referrals. Flagging a suspicious loan triggers a targeted review during both forgiveness and post-forgiveness examinations, providing an opportunity to mitigate improper payment due to fraud.

We made five recommendations to enhance program integrity and mitigate fraud risk and financial loss by ensuring only eligible applicants receive program funding and that opportunities are identified to recover fraudulent or ill-gotten funds. SBA management partially agreed with four recommendations and agreed with one recommendation.

Access this [management advisory](#) on the SBA OIG Reports site.



SBA's Awarding of Small Business Lending Company Licenses (Report 25-08)

We assessed SBA's process for awarding Small Business Lending Company licenses and the agency's compliance with licensing procedures. A Small Business Lending Company is a non-depository lending institution that is licensed and authorized by SBA to make loans pursuant to Section 7(a) of the Small Business Act and to intermediaries in SBA's Microloan program. Since 1981, SBA has had only 14 licensed Small Business Lending Companies. In 2023, SBA licensed three new lenders focused on underserved markets, including small businesses in native, rural, and low-income communities.

We found SBA complied with its licensing procedures, which included an evaluation of qualitative factors required in the application and a comprehensive assessment of factors that gauged each applicant's strengths and limitations, such as historical performance measures and the applicant's affiliation with lenders or lender service providers previously sanctioned by SBA. We reviewed applications for the three awarded licenses and determined they contained all the information SBA required. As a result, we made no recommendations.

Access this [evaluation report](#) on the SBA OIG Reports site.

Notable Investigations

For investigative cases involving the COVID-19 Economic Injury Disaster Loan (EIDL), another pandemic assistance program, see the [Disaster Assistance](#) section.



Co-Founders of Financial Technology Company Charged in \$200 Million COVID-19 Relief Fraud Scheme

An Oregon couple was indicted on four counts of wire fraud and one count of conspiracy to commit wire fraud involving over \$198 million in funded PPP Loans.

The investigation revealed they co-founded a fintech in April 2020, purportedly to assist applicants in obtaining PPP loans. To obtain larger loans for certain PPP applicants, they and other co-conspirators allegedly fabricated documents, including payroll records, tax documentation, and bank statements. They allegedly charged borrowers illegal kickbacks based on a percentage of the funds received.

As part of the alleged scheme, they and their co-conspirators expanded the fintech's operations through agreements with two lenders. Under these agreements, their fintech collected and reviewed PPP applications from potential borrowers on behalf of the lenders and worked with them to submit applications to SBA in exchange for a percentage of the fees paid to lenders for approved PPP loans. To obtain a greater volume of kickbacks from borrowers and percentage of lender fees from SBA, they submitted PPP loan applications they knew contained materially false information. This case is part of a vast network of pandemic assistance fraud that includes multiple indictments of customers, recruiters, and cooperating co-conspirators. Trial was set for late April 2025. Read more about [this case](#) on the U.S. Department of Justice (DOJ) press release site.



Arizona Brothers Pled Guilty in \$109 Million Pandemic-Relief Conspiracy

Two Arizona brothers pled guilty for conspiring to defraud the government of nearly \$109 million in loans intended to help small businesses during the COVID-19 pandemic.

From January 2021 until March 2022, one brother used false and fraudulent business information from customers to submit at least 350 fraudulent PPP loan applications through an affiliated fintech to a lender participating in the PPP. He and his co-conspirators created fictitious documents to support the fraudulent loan applications. He submitted at least 1,300 PPP applications seeking \$178 million from the lender, \$105 million of which was funded, garnering him \$3 million in kickbacks from customers.

His brother continued a related scheme through March 2022, conspiring to submit customers' fraudulent business information to submit 140 PPP loan applications through the fintech to the lender, \$3.9 million of which were funded, garnering over \$957,000 in kickbacks. Read more about [this case](#) on the DOJ press release site.



Illinois Man Charged with Defrauding COVID-19 Relief Programs of \$13 Million

An Illinois man was charged with one count of wire fraud for conspiring with others to submit fraudulent applications and supporting documents to third-party lenders and SBA. He received three PPP loans totaling over \$1.2 million for alleged businesses he operated. He also allegedly recruited more than 60 clients to secure \$13 million in fraudulent PPP funds.



Nursing Facility Company Agrees to Pay \$18 Million to Settle False Claims Act Allegations Relating to PPP Loans

The owner and affiliates of a large chain of California-based skilled nursing facilities agreed to pay \$18 million to resolve allegations that they violated the False Claims Act by knowingly providing false information in support of PPP loan applications and loan forgiveness applications.

The settlement resolves allegations that the company and its affiliates falsely certified they were a small business with fewer than 500 employees when they submitted their PPP loans and loan forgiveness applications in 2020. These applications failed to disclose that the entities were part of a larger chain owned and controlled by the same people, which made all the businesses ineligible for PPP loans. Read more about [this case](#) on the DOJ press release site.



Former Law Enforcement Officer and Co-Conspirators Sentenced for COVID-19 Fraud

A Columbus man, a former law enforcement officer, and three co-conspirators were sentenced to 130 months imprisonment total, 15 years of supervised release, and ordered to pay over \$20 million for submitting fictitious documents and claiming nonexistent business revenue in their PPP loan applications. They collected over \$2.3 million in commission fees, which they used to purchase a 2018 Mercedes-Benz C-Class and a 2020 Mercedes-Benz G 63.



Two Florida Men Convicted in Multi-Defendant PPP Scheme

Two Florida men were convicted of conspiracy to commit wire fraud, conspiracy to commit money laundering, and money laundering in an intricate PPP scheme. They submitted over 60 fraudulent PPP loan applications with forged documents, falsified the number of employees, and received over \$14.5 million. They face up to 20 years in prison for conspiracy and fraud and 10 years for money laundering.



Pennsylvania Man Convicted of Defrauding Pandemic Relief Programs of \$8.4 Million

A Pennsylvania man was convicted on 12 counts of wire fraud, 3 counts of aggravated identity theft, and 7 counts of money laundering for defrauding federal COVID-19 assistance programs of \$8.4 million. From March 2020 to June 2021, he applied for 19 PPP loans and EIDLs using stolen identities and bogus support documents. He also falsely renewed the Pennsylvania photo ID card of a deceased family friend and then used it to apply for a PPP loan. He used over \$8.4 million in loan proceeds to purchase waterfront property in Florida, a Range Rover, and pay his children's private school fees. He also engaged in risky stock trading that resulted in the loss of millions.



Texas Man Pled Guilty in \$5 Million COVID-19 Fraud Conspiracy

A Texas man pled guilty to conspiracy to commit wire fraud in connection with a multi-jurisdictional PPP and tax scheme that defrauded the government of over \$5 million. The criminal network involved more than a hundred co-conspirators across eight states. They deployed sophisticated strategies of social media recruitment, document editing software, identity theft, and use of various payment processors and financial institutions to launder the money. While the man was in custody with the Federal Bureau of Prisons, he communicated with principal co-conspirators via email and social media to produce fabricated bank statements and IRS documents.



Former Baltimore Government Employee Sentenced to 4 Years for Bribery and CARES Act Fraud

A Maryland man was sentenced to 48 months imprisonment and 3 years supervised release for bribery and conspiracy to commit wire fraud involving Coronavirus Aid, Relief, and Economic Security (CARES) Act relief benefits. As an employee of the Baltimore City Department of Finance Revenue Collections department, the man routinely accepted bribes from various property owners in Baltimore whose properties were subject to certain financial obligations, and if the obligations remained unpaid, to a tax sale. The man also submitted a fraudulent PPP loan application containing a fabricated IRS form.

Disaster Assistance Program

SBA's direct disaster assistance loans have been the primary form of federal assistance for repairing and rebuilding nonfarm, private sector losses following declared disasters since the agency's inception in 1953. SBA provides long-term financial assistance to businesses of all sizes, nonprofits, homeowners, and renters following a declared disaster — the only form of SBA assistance not limited to small businesses. Since low-interest disaster assistance loans are government aid, creditworthiness and the ability to repay are taken into consideration before a loan is awarded.

The program includes four categories of loans for disaster-related losses: home disaster loans, business disaster loans, economic injury disaster loans, and military reservist economic injury disaster loans. As a result of the pandemic's widespread economic effects on the U.S. economy, Congress increased disaster program funding, approving over \$405 billion in COVID-19 EIDLs.

We have ongoing work on SBA's response to hurricanes Helene and Milton and the agency's capability to properly forecast and request disaster assistance lending authority to avoid a lapse in appropriated funds.

Evaluation and Inspection



Approved Disaster Assistance Loans Matching COVID-19 EIDLs and PPP Loans with Fraud Hold Codes (Report 25-03)

We evaluated whether SBA approved disaster loan applications for individuals or businesses that also had a COVID-19 EIDL or PPP loan that had been flagged with a fraud hold code. SBA provided about \$1.2 trillion in direct and guaranteed loans to businesses affected by the pandemic through the COVID-19 EIDL program and PPP. In our white paper *COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape* (Report 23-09), we identified potential fraud totaling over \$200 billion in both programs. Of that, SBA flagged \$51 billion in loans with fraud hold codes.

In 2023, the agency started using a system with fraud detection software to review each disaster assistance loan application and check it against existing pandemic assistance loans with fraud hold codes. Using these new internal controls, the agency declined 5,625 potentially fraudulent disaster assistance loan applications. We found the agency still approved 188 loans totaling \$8.1 million even though they were flagged. Agency officials took action to prevent one of these loans from

being disbursed after we brought it to their attention. We recommended SBA review and verify the 187 other loans for legitimacy and eligibility. The agency agreed with our recommendation.

Access this [evaluation report](#) on the SBA OIG Reports site.



COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs (Report 25-06)

The U.S. Department of Labor Office of Inspector General and SBA OIG found that data sharing and matching between Labor’s Employment and Training Administration and SBA could mitigate the risk of fraudulent unemployment insurance benefit payments and SBA disaster program disbursements. We identified more than \$1.3 billion in potentially fraudulent unemployment insurance and EIDL payments were made to the same likely fraudsters. We also identified over \$2.3 billion in potentially fraudulent EIDLs disbursed, including 10,971 newly identified potentially fraudulent EIDLs totaling nearly \$1.4 billion not previously identified by SBA OIG or SBA. If data sharing and matching had existed during the pandemic, the agencies could have conducted a higher level of review by matching applicants across both programs to mitigate fraudulent payments. We made three recommendations — two for SBA to share data and facilitate improved fraud controls via collaboration and one to reevaluate eligibility for potentially fraudulent EIDLs. SBA management agreed with the three recommendations.

Access this [inspection report](#) on the SBA OIG Reports site.

Notable Investigations

For investigative cases involving the PPP, another pandemic assistance program, see the [Small Business Access to Capital](#) section.



Head of Consulting Firm Agrees to Pay Over \$3.2 Million to Resolve Alleged False Claims

A Pennsylvania man agreed to pay over \$3.2 million to resolve allegations that he violated the False Claims Act by misusing funds meant to help his consulting firm weather the adverse economic effects of the pandemic. Rather than use the funds according to law, the man transferred most of his \$1.9 million EIDL to a personal investment account.



Arkansas Man Sentenced to Over 16 Years for \$16 Million COVID-19 Relief Scheme

An Arkansas man was sentenced to 196 months imprisonment, 3 years of supervised release, and ordered to pay \$16.3 million in restitution in connection to a scheme to obtain millions in COVID-19 funds by directing, assisting, facilitating, and submitting false and fraudulent loan applications. From June 2020 through May 2022, he submitted numerous false EIDL and PPP applications for his own businesses, misrepresenting their statuses, revenue, and payroll. He also submitted dozens of EIDL applications using false and fraudulent information on behalf of co-conspirators.



California Businessman Pled Guilty in Multi-Million Dollar Fraud Scheme

A California man was sentenced to 18 months imprisonment, 36 months supervised release, and ordered to pay restitution for his part in a \$3 million multi-level EIDL fraud scheme involving networks of entities and recruiters conspiring to falsify and submit EIDL applications and supporting documentation.



An Oregon Couple Sentenced for Defrauding COVID-19 Relief Program

An Oregon couple were each sentenced to 36 months of probation, 60 days home detention, 600 hours community service, and ordered to pay \$493,000 in restitution for submitting fraudulent EIDL and PPP applications for nonexistent businesses using falsified payroll and revenue. They then used taxpayer funds for personal expenditures.



Alaska Business Owner Charged With Wire Fraud

An Alaska man was sentenced to 13 months imprisonment, 36 months of supervised release, and order to pay/forfeit \$122,500 for making false statements about his criminal history in several EIDL applications. He is a lifetime registered sex offender, convicted in November 2002 for several felonies, including burglary in a dwelling, carrying concealed weapon, and sexual abuse of a minor.

Contracting and Counseling Programs

The U.S. government is the largest single purchaser of goods and services in the world, awarding over \$760 billion in prime contracts annually. SBA works to maximize opportunities for small businesses to receive these contract awards. As mandated by the Small Business Act, the government-wide goal is to award at least 23 percent of contract dollars to small businesses.

SBA has specific programs that focus on strengthening types of small businesses, like those owned by service-disabled veterans and women, as well as small businesses that are disadvantaged or located in historically underutilized business zones (HUBZones).

The HUBZone program is intended to help small businesses stimulate their economically challenged local economies. Similarly, to help small, disadvantaged businesses gain access to federal and private procurement markets, SBA's 8(a) Business Development Program helps socially and economically disadvantaged entrepreneurs who own small businesses gain business skills and access to federal contracting opportunities so they can better compete in the open marketplace. The program offers free business development education, training workshops, and matchmaking opportunities with federal buyers.

SBA also aids existing and prospective small businesses through a variety of counseling and training services offered by partner organizations. Among these partners are Small Business Development Centers, the SCORE mentoring network, Women's Business Centers, and Veterans Business Outreach Centers. SBA designed the Boots to Business program to provide transitioning military service members with entrepreneurial skills and technical assistance to start their own businesses. These programs all require effective and efficient management, outreach, and service delivery.

During this semiannual period, our audit work in this program area focused on reviewing select Small Business Development Centers' compliance with the terms and conditions of their cooperative agreements. We expect to publish these reports in Fiscal Year 2025. We also expect to issue a report on SBA's oversight of Shuttered Venue Operators Grant (SVOG) recipients in fiscal year 2025.

Investigations



Construction Company Owner Pled Guilty to Fraudulently Obtaining Federal Contracts

A Wisconsin woman who was the owner of a Milwaukee HUBZone certified construction company pled guilty to one count of false statements. Prior to forming her own construction company, she was employed with another construction company ineligible for HUBZone contracts. In October 2020, she falsely certified that her construction company met HUBZone eligibility requirements and complied with HUBZone rules and procedures. She also falsely certified that she had no affiliate business. During the scheme, she solicited 15 HUBZone set-aside contracts on behalf of her company and was awarded 7 HUBZone set-aside contracts worth \$4.7 million. She did not comply with the HUBZone subcontracting rules requiring her construction company to perform at least 15 percent of the cost of HUBZone contract performance. She did not disclose to SBA that employees of the other construction company exercised control over the management and decision-making process of her business. That business also relinquished control over key aspects of HUBZone contracts to the other business. Her company also relied on the other construction company for HUBZone contract management.



Defense Contractor Indicted for Bribing Government Employee in \$100 Million Government Contracting Scheme

A California man, who was a former technology company executive, was indicted for bribing a government employee to win more than \$100 million in government contracts. He gave a former Naval Information Warfare Center Pacific employee expensive meals, golf outings, and provided jobs to his friend and a family member. In return, the government employee took official action to benefit the tech company, such as steering non-competitive small business contracts to it and family companies. The government employee allowed the executive and other employees to draft competitive procurement documents for various contracting jobs. He also allowed the executive and others to ghost write emails, official government correspondence, and performance evaluations, all to benefit the company and related businesses.

The government employee also agreed in an email to create a \$50 million “competitive” contract and award it to the tech company. He then allowed business employees to draft the contract requirements and the price the government was expected to pay. To conceal their activities, they

failed to disclose organizational conflicts of interest in relation to their contracting efforts. They also hid that the tech company was affiliated to other family companies, including two Native Hawaiian 8(a) Business Development Program companies that were subcontracting millions in work set aside for a disadvantaged 8(a) business to this company. The government employee has pled guilty to multiple bribery schemes. He was scheduled to be sentenced in May 2025. Read more about [this case](#) on the DOJ press release site.

Agency Management

OIG is responsible for ensuring SBA goals are met and that managers appropriately safeguard the agency from fraud, waste, and abuse. As part of this work, OIG coordinates with the offices of the Chief Financial Officer, the Chief Information Officer, and the Chief Operating Officer to independently review financial reporting and performance management, human resources, procurements and grants, space and facilities, and maintenance of SBA's information systems and related security controls.

The following summarizes our audit work this period.

Audit, Report, and White Paper



Independent Auditors' Report on SBA's Fiscal Year 2024 Financial Statements (Report 25-05)

We contracted with independent certified public accounting firm KPMG LLP to conduct an audit of SBA's consolidated balance sheets as of September 30, 2024 and 2023 and the notes related to these statements. KPMG reported significant matters for which it was unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on SBA's balance sheet as of September 30, 2024. KPMG issued a disclaimer of opinion on the consolidated balance sheets as of September 30, 2024 and 2023.

SBA was unable to provide adequate evidential matter supporting a significant number of transactions and account balances related to the PPP, EIDL program, the Restaurant Revitalization Fund, and the SVOG program. As a result, KPMG was unable to determine whether any adjustments to the following might have been necessary: credit program receivables and related foreclosed property, other than intragovernmental accounts receivable, downward re-estimate payable to Treasury, and loan guarantee liabilities and the related notes. KPMG identified seven material weaknesses and two significant deficiencies in internal controls over financial reporting. SBA's Chief Financial Officer concurred with its findings and recommendations and agreed to implement the recommendations.

Access this [audit report](#) on the SBA OIG Reports site.



Office of Inspector General Open Recommendations as of December 31, 2024 (Report 25-09)

This report lists the recommendations from our prior reports that remained open as of December 31, 2024. The status of each recommendation is subject to change as we independently review SBA's ongoing implementation. Although SBA may have taken steps to implement a recommendation listed in this report, such as by partially remedying the associated questioned costs, a recommendation is not considered closed until it has been fully implemented. As of December 31, 2024, there were 166 open OIG recommendations.

Access this [report](#) on the SBA OIG Reports site.



COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape Recommendations Update (Report 25-10)

This report updates Congress on progress made by SBA on the 39 open pandemic-related recommendations referenced in OIG Report 23-09, *COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape*. Over the course of the pandemic, SBA disbursed approximately \$1.2 trillion in COVID-19 EIDL and PPP funds. The economic assistance was intended to help eligible small business owners and entrepreneurs adversely affected by the crisis. In OIG's white paper, we estimated SBA disbursed over \$200 billion in potentially fraudulent loans through COVID-19 relief programs. To establish this estimate, OIG used investigative casework, prior OIG reporting, and advanced data analytics to identify multiple schemes used by fraudsters to steal from the American taxpayer and exploit programs meant to help those in need.

Since the pandemic was declared a national emergency in March 2020 through the issuance of OIG's fraud landscape white paper in June 2023, OIG issued 77 pandemic-related recommendations to SBA. Of the 77 recommendations, the agency had taken corrective actions to close 38 of them. Thirty-nine recommendations remained open as of June 2023. SBA has been working on implementing the corrective actions necessary to close the open recommendations. As of December 31, 2024, SBA has closed 24 of the 39 pandemic-related recommendations that remained open as of June 2023.

Access this [white paper](#) on the SBA OIG Reports site.

Other Significant OIG Activities

Background Investigations

During this reporting period, OIG initiated 50 background investigations, issued 4 security clearances for OIG employees and contractors, and adjudicated 4 background investigative reports.

Present Responsibility and Other Administrative Enforcement Actions

OIG promotes program integrity by making present responsibility referrals to SBA and other agencies. Present responsibility means the business ethics, integrity, honesty, and competence of persons who participate in SBA programs or otherwise do business with the government. During this reporting period, OIG prepared nine present responsibility referrals.

Present responsibility referrals can result in suspensions, debarments, and similar administrative enforcement actions. These actions protect taxpayer funds from program participants who are not a good risk for the government.

A typical OIG referral contains a summary of allegations and criminal, civil, administrative, or other evidence supporting the recommendation. Most OIG administrative referrals involve SBA's loan and contract programs. OIG ensures that a suspension and debarment official reviews all appropriate allegations arising in other contexts, such as the investigation of False Claims Act cases.

Stakeholder Presentations on Fraud Awareness

During this reporting period, SBA OIG held 102 presentations for internal and external stakeholders to raise awareness of fraud, waste, and abuse related to SBA programs. More than 1,936 participants attended these events.

Reviews of Proposed Agency Regulations, Operating Procedures, and Other Initiatives

OIG reviews changes SBA proposes to make to its program directives, such as regulations, internal operating procedures, agency policy notices, and SBA forms completed by the public. OIG often identifies material weaknesses in the proposals and makes recommendations to the agency for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations. During the reporting period, OIG reviewed 66 proposed revisions of these program directives and submitted comments designed to mitigate risk or improve 5 of these initiatives.

Administrative False Claims Act Cases

OIG does not have any administrative False Claims Act cases to report for this period. In addition, there were no instances in which the reviewing official declined to proceed on a case reported by an investigating official.

OIG Hotline

Offices of inspector general have a hotline function that takes complaints from anyone who suspects fraud, waste, abuse, or serious mismanagement within an agency or its programs by employees, contractors, and the public. Hotline complaints may result in corrective actions, audits, or administrative, civil, or criminal investigations.

Our OIG Hotline staff examines complaints and monitors the progress of matters referred to SBA program offices for action to ensure the agency has promptly followed up, adequately resolved allegations, and documented any corrective actions.

Serving Taxpayers

Hotline work has changed dramatically because of the COVID-19 pandemic. OIG’s Hotline team utilizes data analytics to review and sort complaints given the large influx associated with SBA’s pandemic response programs. The staff addresses each complaint received via online submissions to the SBA OIG website, email, and posted mail, as well as referrals from banks and other agencies.

During this semiannual period, the OIG Hotline received more than 15,000 complaints of loan fraud and abuse, identity theft, contract fraud, and problems with SBA’s customer service.

In total, since the pandemic began in March 2020, OIG has received more than 311,000 complaints, which averages more than 62,000 per year. By contrast, the OIG Hotline received 742 complaints in 2019.

Hotline	
Current Period	
October 1, 2024 to March 31, 2025	
Paycheck Protection Program	9,233
Economic Injury Disaster Loan	650
Other*	5,376
Total	15,259
*Includes complaints not yet processed or categorized	

Organizational Overview

U.S. Small Business Administration

SBA's mission under the Small Business Act, as amended, is to maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and assisting in the economic recovery of communities after disasters.

SBA is organized around the areas of financial, contracting, entrepreneurial development, and disaster assistance. The agency also represents small businesses through an independent advocate and an ombudsman.

SBA headquarters is in Washington, D.C. The agency has staff in 10 regional offices, 68 district offices and corresponding branch offices, and 2 disaster field operation centers. SBA also has 6 government contracting area offices and maintains a network of resource partners in all 50 states, the District of Columbia, Puerto Rico, American Samoa, the U.S. Virgin Islands, and Guam.

Office of Inspector General

OIG's mission is to provide independent, objective, and timely oversight to improve the integrity, accountability, and performance of SBA and its programs for the benefit of all Americans.

Our strategic plan for fiscal years 2022–2027 has four goals. In addition to the Office of Counsel to the Inspector General, four divisions assist in carrying out the statutory responsibilities of OIG: the Audits Division, Investigations Division, Technology Solutions Division, and the Management and Operations Division.



Our vision is to be valued and engaged change agents who set the standard for oversight excellence in support of America's small businesses. We seek to demonstrate our values of integrity, commitment, and excellence as we deliver products and services of the highest quality defined by accuracy, timeliness, fairness, and usefulness.

The **Office of Counsel** provides legal and ethics advice to all OIG components; protects the OIG's interests in litigation arising out of or affecting OIG operations; assists in prosecuting criminal, civil, and administrative enforcement matters; processes subpoenas; responds to Freedom of Information Act and Privacy Act requests, and reviews and comments on proposed policies, regulations, legislation, and procedures.

The **Audits Division** performs and oversees audits and reviews to promote the economical, efficient, and effective administration of SBA programs and operations. Key areas of emphasis are SBA loan programs, disaster assistance, business development, and government contracting programs, as well as mandatory and other statutory audit requirements involving information technology security, financial reporting, and other SBA program areas.

The **Investigations Division** manages initiatives to detect and deter illegal and improper activities involving SBA's programs, operations, and personnel. The criminal investigations staff carries out a full range of traditional law enforcement functions.

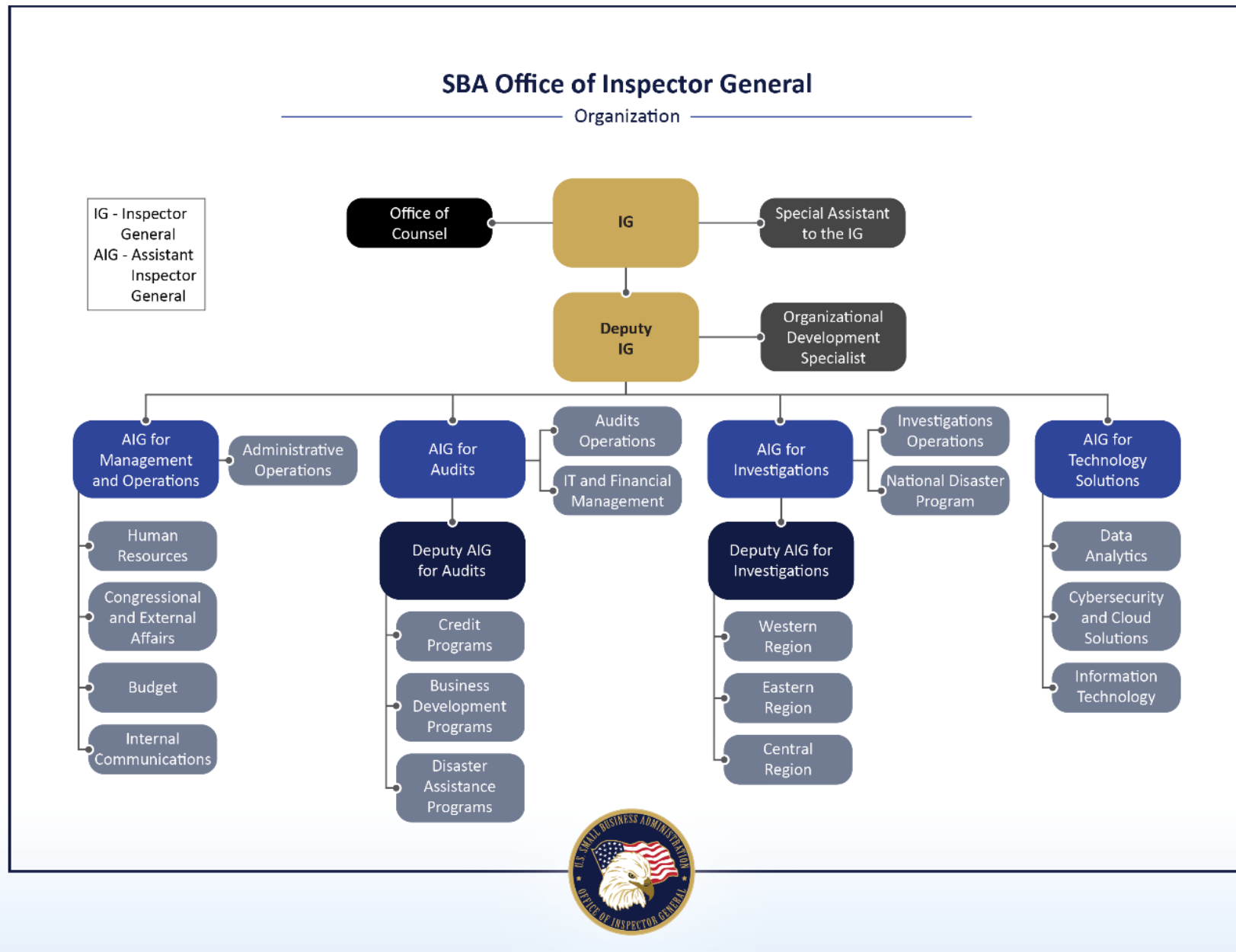
Within the division, Hotline staff reviews allegations of waste, fraud, abuse, and severe mismanagement within SBA or its programs made by employees, contractors, and the public. A preliminary review of all complaints is conducted to determine the appropriate course of action. As part of the review process, Hotline staff may coordinate reviews of allegations within OIG, SBA program offices, or other government agencies.

The National Disaster Program identifies fraud trends and develops investigative leads associated with the SBA pandemic assistance and disaster assistance loan programs working in coordination with the OIG Investigations, Audits, and Technology Solutions divisions, SBA, Department of Justice and external law enforcement agencies to detect and combat fraud and recover agency funds.

The **Technology Solutions Division** provides data analytics, cybersecurity and digital cloud solutions, and IT user support to OIG. The division's long-range strategies and goals are to root out fraud, waste, and abuse in agency programs by developing innovative techniques in automation, artificial intelligence, and machine learning for the benefit of American small businesses and entrepreneurs.

The **Management and Operations Division** provides business support, such as budget and financial management, human resources, and procurement, for various OIG functions and activities. The Security Operations Staff within the division conduct required employee and contractor background investigations to achieve a high level of integrity in the agency's workforce. It makes adjudications on OIG employees and contractors for issuance of Personal Identity Verification cards pursuant to Homeland Security Presidential Directive-12 background investigations requirements.

OIG's headquarters is in Washington, D.C. Our field offices are in Atlanta, Georgia; Boston, Massachusetts; Charlotte, North Carolina; Chicago, Illinois; Columbus, Ohio; Dallas-Fort Worth, Texas; Detroit, Michigan; Denver, Colorado; Seattle, Washington; Herndon, Virginia; Houston, Texas; Los Angeles, California; Miami, Florida; New York, New York; Philadelphia, Pennsylvania; Sacramento, California; San Francisco, California; Tampa, Florida; and Washington, D.C.



Appendices

Appendix A: Reporting Period Statistical Highlights

Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	—
Potential Investigative Recoveries and Fines (criminal/civil)	\$145,326,559
Other Recoveries (e.g., repayment of funds, cost avoidance, voluntary return, administrative seizures with partner law enforcement agencies)	\$151,858,801
Asset Forfeitures Attributed to OIG Investigations	\$4,933,494
Loans/Contracts Not Approved or Canceled as a Result of Investigations	0
Investigations Subtotal	\$302,118,854
Dollar Accomplishments as a Result of Audit Activities	—
Disallowed Costs Agreed to by Management	\$1,382,855,478
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$1,382,855,478
Total OIG Dollar Accomplishments	\$1,684,974,332

Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities

Reports Issued	10
Recommendations Issued	71
Dollar Value of Costs Questioned	\$1,382,855,478
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations with Management Decisions	71
Recommendations without a Management Decision	0
Collections as a Result of Questioned Costs	0

Indictments, Convictions, and Case Actions

Indictments from OIG Cases	90
Convictions from OIG Cases	117
Cases Opened	99
Cases Closed	97

SBA Personnel Actions Taken as a Result of Investigation

Dismissals	0
Resignations and Retirements	0
Suspensions	0
Reprimands	0

Program Actions Taken During the Reporting Period as a Result of OIG Action

Present Responsibility Referrals to the Agency	9
Pending at the Agency as of March 31, 2025	9
Suspensions Issued by the Agency	3
Proposed Debarments Issued by the Agency	1
Final Debarments Issued by the Agency	1
Proposed Debarments Declined by the Agency	0
Administrative Agreements Entered by the Agency in Lieu of Debarment	0
Present Responsibility Actions by Other Agencies	0

Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	66
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	5

Appendix B: Reports Issued

Top Management Challenges

Title	Report Number	Issue Date	Questioned Costs	Unsupported Costs	Funds for Better Use
Top Management and Performance Challenges Facing SBA in FY 2025	25-01	10/15/2024	—	—	—
Program Subtotal	1	—	—	—	—

Agency Management

Title	Report Number	Issue Date	Questioned Costs	Unsupported Costs	Funds for Better Use
Report on SBA's FY 2024 Financial Statements	25-05	11/15/2024	—	—	—
OIG Open Recommendations as of December 31, 2024	25-09	3/3/2025	—	—	—
COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape Recommendations Update	25-10	3/31/2025	—	—	—
Program Subtotal	3	—	—	—	—

Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Unsupported Costs	Funds for Better Use
SBA's 504 Loan Liquidation Process	25-02	10/17/2024	—	—	—
SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	25-04	11/13/2024	—	—	—

SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	25-07	1/16/2025	—	—	—
SBA's Awarding of Small Business Lending Company Licenses	25-08	2/13/2025	—	—	—
Program Subtotal	4	—	—	—	—

Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Unsupported Costs	Funds for Better Use
Approved Disaster Assistance Loans Matching COVID-19 EIDLs and PPP Loans With Fraud Hold Codes	25-03	11/5/2024	—	—	—
COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs	25-06	12/5/2024	\$1,382,855,478	\$1,382,855,478	—
Program Subtotal	2	—	\$1,382,855,478	\$1,382,855,478	—

Appendix C: Reports, Recommendations, and Management Decisions

Reports With Questioned Costs

IG Act Reporting Requirement	Reports	Recommendations*	Questioned Costs**	Unsupported Costs***
No management decision made by September 30	—	—	—	—
Issued during this reporting period	1	1	\$1,382,855,478	\$1,382,855,478
Management decisions made during this reporting period	—	—	—	—
(i) Disallowed costs	1	1	\$1,382,855,478	\$1,382,855,478
(ii) Costs not disallowed	—	—	—	—
No management decision made by March 31	—	—	—	—

* Reports may have more than one recommendation.

** Questioned costs are costs found to be improper.

*** Unsupported costs may be proper but lack documentation. Unsupported costs are a subset of questioned costs.

Reports With Recommendations that Funds Be Put to Better Use

IG Act Reporting Requirement	Reports	Recommendations	Recommended Funds for Better Use
No management decision made by September 30	—	—	—
Issued during this reporting period	—	—	—
Subtotal	—	—	—
Management decisions made during this reporting period	—	—	—
(i) Recommendations agreed to by SBA management	—	—	—
(ii) Recommendations not agreed to by SBA management	—	—	—
No management decision made by March 31	—	—	—

Reports From Prior Periods With Overdue Management Decisions

There are no reports from prior periods with overdue management decisions.

Reports from Prior Periods with Open Recommendations as of March 31, 2025

Report Number	Title	Date Issued	Number of Open Recommendations	Aggregate Potential Cost Savings
20-03	Audit of SBA's Oversight of High-Risk Lenders	11/12/2019	3	—
20-20	Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended	9/30/2020	1	—
21-08	SBA's Use of Vendors Without a Contract	2/3/2021	2	\$10,800,476
21-09	Duplicate Loans Made Under the Paycheck Protection Program	3/15/2021	1	—
21-14	Audit of SBA's Oversight of Women's Business Centers' Compliance With Cooperative Agreement Financial Requirements	5/4/2021	5	\$785,961
22-01	SBA's Emergency EIDL Grants to Sole Proprietors and Independent Contractors	10/7/2021	1	\$4,500,000,000
22-07	SBA's Oversight of the Grant Recipient's Implementation of the CARES Act Resource Partners Training Portal	1/18/2022	2	—
22-11	FY 2021 FISMA Review	4/28/2022	1	—
22-19	COVID-19 and Disaster Assistance Information Systems Security Controls	9/27/2022	6	—
22-21	Paycheck Protection Program Eligibility for Nonprofit Organizations	9/26/2022	1	\$684,000,000
23-03	FY 2022 FISMA Review	12/13/2022	3	—
23-10	SBA's Administrative Process To Address Potentially Fraudulent RRF Awards	7/5/2023	1	\$278,570,834
23-15	SBA's Oversight of Restaurant Revitalization Fund Recipients	9/29/2023	6	\$3,528,709,751
24-02	SBA's Internal Controls to Prevent Shuttered Venue Operators Grants to Ineligible Applicants	10/25/2023	2	—
24-06	SBA's Eligibility and Forgiveness Review of PPP Loans Made to Borrowers with Treasury's Do Not Pay Data Matches	2/22/2024	7	—
24-07	Fiscal Year 2023 Federal Information Security Modernization Act	3/7/2024	6	—
24-09	SBA's Restaurant Revitalization Fund Program Award Practices	3/26/2024	5	\$6,410,764,905
24-10	SBA's IT Investment Governance Framework	3/29/2024	3	—
24-16	SBA's Fiscal Year 2023 Compliance with the Payment Integrity Information Act of 2019	5/15/2024	8	—

Report Number	Title	Date Issued	Number of Open Recommendations	Aggregate Potential Cost Savings
24-17	7(a) Loan Approval for Borrowers with Unresolved COVID-19 Pandemic Loan Compliance Issues	5/21/2024	1	—
24-18	Evaluation COVID-19 EIDL Applicants on the U.S. Department of the Treasury's Do Not Pay List	6/4/2024	1	\$145,265,191
24-20	SBA's Guaranty Purchases for Paycheck Protection Program Loans	7/9/2024	7	—
24-21	Improvements Needed in SBA's Shuttered Venue Operators Grant Post-Award Review Process	7/10/2024	1	—
24-23	SBA's Oversight of HUBZone Program Participants' Continuing Eligibility	8/15/2024	3	—
24-25	SBA's Oversight of the Community Navigator Pilot Program Performance Navigator Pilot Program Performance	9/24/2024	3	—
—	Total	—	80	\$15,558,897,118

Significant Recommendations from Prior Reporting Periods Without Final Action as of March 31, 2025

Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
20-03	11/12/2019	1	Develop and implement policies and procedures to document OCRM's justification for not conducting planned reviews and identifying and prioritizing additional lenders for review.	11/15/2019	1/31/2025
20-03	11/12/2019	2	Develop and implement a comprehensive database to manage its oversight of high-risk lenders to ensure performance of all planned reviews, implementation of risk mitigation actions, and identification of noncompliant lender and systemic material loan deficiencies.	11/15/2019	3/31/2025
20-03	11/12/2019	5	Develop and implement policies and procedures that require OCRM to communicate systemic lender issues and material loan deficiencies to the appropriate SBA loan approval and purchase centers to facilitate proactive portfolio management and to mitigate the risk of improper guaranty purchases in the event of default.	11/15/2019	01/31/2025
20-20	9/30/2020	10	Perform a cost benefit analysis to determine if SBA should begin assessing fees to offset the cost of processing and handling delinquent disaster loans.	04/29/2022	04/18/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
21-08	2/3/2021	1	Require responsible personnel to execute a contract for foreclosure and real estate services to ensure the procurement of services are obtained and authorized in accordance with the Federal Acquisition Regulation requirements.	02/01/2021	09/06/2024
21-08	2/3/2021	3	Ratify the over \$10.8 million in payments in accordance with the FAR and 48 C.F.R. § 1.602-3.	02/02/2023	09/06/2024
21-09	3/15/2021	1	Review the OIG identified potential duplicate disbursements for eligibility and take action to recover any improper payments as applicable.	03/31/2021	05/29/2025
21-14	5/4/2021	2	Remedy \$523,790 in unsupported matching funds, unsupported program income, and the resulting portion of the federal funds reimbursed for the unmet match, and \$186,537 in unsupported expenses.	05/04/2021	03/17/2025
21-14	5/4/2021	3	Recover \$31,215 for improperly awarded contracts and \$31,424 in unallowable or unallocable expenses.	05/04/2021	03/17/2025
21-14	5/4/2021	4	Implement policies and procedures for conducting thorough financial compliance reviews and coordinate with the Office of Field Operations to train field office personnel responsible for semiannual site visits.	05/04/2021	01/21/2025
21-14	5/4/2021	5	Establish policies holding program officials accountable for promptly following up on financial examination results and enforcing cooperative agreement requirements.	05/04/2021	3/17/2025
21-14	5/4/2021	7	Review expenses for the \$28,089 reallocation of budget expenses we detailed in this report to ensure these costs are allowable and document the rationale for the reallocation or recover costs that are unallowable.	05/04/2021	03/21/2025
22-01	10/7/2021	1	Review the applications of sole proprietors and independent contractors that included numbers of employees but no Employer Identification Number; and Remedy the \$3.5 billion disbursed to sole proprietors and \$1 billion disbursed to independent contractors that exceeded the amount allowed by SBA's policy.	08/22/2022	04/30/2025
22-11	4/28/2022	2	Ensure the continuity of operations plan is tested annually, as required by Federal Continuity Directive 1.	04/29/2022	06/30/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
22-19	9/27/2022	1	Ensure the existing SBA System Development Methodology is updated to include supply chain risk-management practices as required by OMB Circular A-130 and high-value asset system designation guidance. Also, ensure high-value asset system risks are incorporated into the enterprise risk management framework, as recommended by OMB M-19-03 and SBA SOP 90 47 6.	11/08/2022	03/31/2025
22-19	9/27/2022	2	Communicate and enforce the SBA System Development Methodology in which a traceability matrix is used to ensure that system requirements can be tested and demonstrated in the operational system. Ensure all requirements are aligned with the contractual acceptance criteria.	11/08/2022	7/31/2025
22-19	9/27/2022	5	In conjunction with the Enterprise Risk Management Board, implement enterprise-wide privacy risk mitigation practices that can be assimilated into new and existing system program designs.	11/08/2022	08/01/2025
22-19	9/27/2022	7	Transition information systems and common controls to an ongoing authorization process (when eligible for such a process) with the formal approval of the respective authorizing officials or reauthorize information systems and common controls as needed, on a time or event-driven basis in accordance with agency risk tolerance, as required by OMB Circular No. A-130 and SOP 90 47 6.	11/10/2022	06/30/2025
22-19	9/27/2022	8	Review and update POA&Ms at least quarterly as required by SOP 90 47 6.	11/09/2022	06/30/2025
22-19	9/27/2022	10	Implement an automated process to document and monitor system changes as recommended by NIST SP 800-53 Rev. 5.	11/09/2022	06/30/2025
22-21	9/26/2022	1	Review the 179 PPP loans, totaling approximately \$684 million, for compliance with affiliation and size standards to ensure eligibility requirements were met and seek remedy or repayment for all loans deemed ineligible.	06/03/2024	05/30/2025
23-03	12/13/2022	2	Implement a process to ensure SBA reviews its external service providers for supply chain risks and ensure all assessments of supply chain risks are documented as outlined in NIST 800-53.	12/16/2022	02/14/2025
23-03	12/13/2022	3	Communicate and reinforce to program offices the requirement to review and remove system and user accounts in accordance with SOP 90 47 6.	12/16/2022	04/30/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
23-03	12/13/2022	5	Develop, document, and implement a process that requires management review of information security data and report information security threats.	12/16/2022	04/30/2025
23-10	7/5/2023	1	Prioritize and complete the review of the 2,172 awards that were flagged by the point-of-sale partner as having unsupported gross sales and take appropriate administrative actions to recover improper payments, which includes 110 awards that were suspected of fraud.	08/15/2023	12/27/2024
23-15	9/29/2023	1	Follow-up with recipients who did not submit their final annual report as required by April 30, 2023, and take action to recover funds.	10/05/2023	10/07/2024
23-15	9/29/2023	2	Review the 210 RRF award recipients currently marked in the PPP loan data as potentially fraudulent or ineligible that were not selected for post award review.	10/05/2023	04/30/2025
23-15	9/29/2023	3	Extend the record retention period and notify all RRF award recipients in writing in accordance with 2 CFR 200.334.	05/06/2025	4/30/2025
23-15	9/29/2023	4	Assess the post-award review process and manpower requirements to ensure post award reviews are conducted in a prompt manner. Use the results of the assessment to improve processing times to ensure reviews are completed before the statute of limitations expire.	10/05/2023	10/07/2024
23-15	9/29/2023	5	Take immediate administrative actions to recover improper payments from the 5 hotels and 18 recipients found to be ineligible, for a total of 23 ineligible award recipients identified totaling \$39 million.	10/05/2023	10/07/2024
23-15	9/29/2023	6	Establish and implement procedures to recover unused funds or recover funds paid to ineligible recipients and prioritize this effort.	10/05/2023	10/07/2024
24-02	10/25/2023	1	Reevaluate eligibility for the 47 applicants we questioned and recover grant funds from the ineligible applicants.	01/31/2024	05/22/2025
24-02	10/25/2023	2	Implement additional controls to ensure that, during the monitoring, auditing, and compliance phases, awards are carefully screened to verify eligibility and to recover grant funds from ineligible entities.	07/16/2024	05/22/2025
24-06	2/22/2024	1	Review the 1,799 PPP loans totaling over \$89 million, that matched a DNP data source, to ensure eligibility requirements were met and seek remedy or repayment of all loans deemed ineligible.	03/27/2024	01/31/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
24-06	2/22/2024	2	Review the 49 PPP loans totaling approximately \$3.5 million and the 43 loans totaling approximately \$7.2 million to ensure borrowers met eligibility requirements and seek remedy or repayment of loans deemed ineligible.	09/30/2024	08/29/2025
24-06	2/22/2024	3	Conduct a review of PPP loans, in which the DNP hold codes were cleared to 1) identify those cleared using pre-decisional memos and 2) those cleared without sufficient evidence to support the reviewer's loan decision and seek remedy or repayment of loans deemed ineligible.	10/03/2024	09/30/2025
24-06	2/22/2024	4	Develop and implement controls, such as supervisory reviews, to ensure PPP loans and loans for future stimulus programs with DNP matches receive manual reviews, as required. The reviews should ensure that pre-decisional memos are not used to clear DNP hold codes and that the loan files contain relevant and appropriate documentary evidence to support the loan review decisions.	10/03/2024	09/30/2025
24-06	2/22/2024	5	Develop and implement clear guidance requiring responsible officials to maintain documentary evidence used to support loan decisions in the loan files.	10/03/2024	09/30/2025
24-06	2/22/2024	6	Review the 59,893 PPP applications that matched a DNP data source to ensure borrowers met eligibility requirements and seek remedy or repayment of loans deemed ineligible.	03/08/2024	01/31/2025
24-06	2/22/2024	7	Review the additional 47,940 PPP loans totaling over \$1.7 billion, identified through the DNP data match, to ensure borrowers met the eligibility requirements and seek remedy or repayment of loans deemed ineligible.	03/27/2024	01/31/2025
24-07	3/7/2024	5	Develop a strategy to ensure that products, system components, systems, and services of external providers are consistent with the organization's cybersecurity and supply chain requirements.	03/27/2024	2/14/2025
24-07	3/7/2024	6	Define timeframe and remediation requirements for baseline and configuration weaknesses.	03/26/2024	12/31/2024
24-07	3/7/2024	7	Properly update and remediate vulnerabilities and configuration weaknesses throughout the SBA environment.	03/27/2024	04/30/2025
24-07	3/7/2024	9	Ensure implementation procedures for data loss prevention are updated at least on a biannual basis to reflect new processes and new requirements.	03/27/2024	12/31/2024

Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
24-07	3/7/2024	10	Update existing procedures that identify the roles of individuals with significant IT responsibilities who require role-based training and ensure such training is provided and tracked.	03/27/2024	04/30/2025
24-07	3/7/2024	11	Provide training to individuals with contingency planning roles and responsibilities.	03/27/2024	04/30/2025
24-09	3/26/2024	11	Develop a plan for future similar programs to leverage applicable existing SBA data sources when determining eligibility and monitoring awards. The plan should include requirements to evaluate effectiveness of the use of the data as controls to reduce risk of improper payments.	4/30/2024	03/31/2025
24-09	3/26/2024	2	Validate historical sales for 47,565 awards designated or treated as Tier 2 that failed or did not receive IRS validation. Recover any excess funds paid that are attributable to unverified historical sales data.	—	—
24-09	3/26/2024	3	Review the 3,443 applicants awarded funds totaling \$376,583,100 that self-certified as a brewery or inn, to determine if they met the 33 percent onsite sales eligibility requirement and recover any funds from applicants that did not meet the requirement.	—	—
24-09	3/26/2024	4	In accordance with Public Law 117-2, § 5003(a)(4)(A)(i) take immediate action to review and recover improper payments from the 14 affiliated business groups disclosed by RRF applicants for a total of \$55,067,326 in excess funds paid, beyond the \$10 million limit per affiliated group.	4/30/2024	05/30/2025
24-09	3/26/2024	5	Review the 16,345 applicants that disclosed having an affiliated business to determine if the amounts collectively awarded to the applicant and affiliates exceeded the \$10 million maximum and recover any excess awards.	—	—
24-10	3/29/2024	2	Ensure the architecture review board reviews new investments to confirm compatibility with agency systems and ensure the Business Technology Investment Council approves new investments prior to purchase, as required by SOPs 90 52 1 and 90 44.	06/14/2024	08/31/2025
24-10	3/29/2024	4	Update procedures to provide specific guidance to agency investment managers on how to utilize earned value principles to measure investment progress against both the current approved baseline and the original baseline for all major investments as required by SOP 90 52 1 and OMB Circular A-130.	02/20/2025	01/30/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
24-10	3/29/2024	6	Perform oversight procedures as required in OMB Circular A-11 and SOP 90 44. Specifically, ensure that post-implementation reviews, business case closeouts, TechStat sessions, operational analyses, and lessons learned are completed.	09/27/2024	08/30/2024
24-16	5/15/2024	3	Enhance existing procedures using the framework in the Government Accountability Office's Green Book to design and implement robust internal and quality control processes to ensure complete and accurate reporting of annual improper payment results and formalized risk assessment processes to ensure all programs and activities are considered sufficiently to meet PIIA reporting objectives.	06/14/2024	09/30/2025
24-16	5/15/2024	4	Design and implement enforceable actions and controls to hold lenders accountable for not providing all documentation requested for loan samples in a timely manner.	06/14/2024	05/15/2025
24-16	5/15/2024	5	Formally document and implement additional preventative and monitoring controls to determine the eligibility of loans prior to loan approval and payments and loan guaranty purchases.	06/14/2024	05/15/2025
24-16	5/15/2024	6	Collaborate with the responsible staff involved in the payment integrity reporting process to ensure timely and complete reconciliations are performed on the populations subject to sampling for improper payment reviews.	06/14/2024	05/15/2025
24-16	5/15/2024	7	Exercise effective management review controls over the statistician's work product by verifying that the documentation of the sampling and estimation methodology plans comprehensively outlines the details of the implemented sampling and extrapolation methodology, while maintaining statistical validity.	06/14/2024	05/15/2025
24-16	5/15/2024	8	Design and implement effective communication and review processes with responsible staff involved in the payment integrity reporting process to ensure compliance for the reporting of new programs and activities.	06/14/2024	05/15/2025
24-16	5/15/2024	10	Design and implement a formal review process to ensure corrective actions plans developed, implemented, and published are adequately addressing the true root causes of improper and unknown payments.	06/14/2024	05/15/2025

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Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
24-17	5/21/2024	1	Review and appropriately resolve hold codes related to the 5,044 7(a) loans to determine impact on 7(a) eligibility and seek remedy or repayment of all 7(a) loans deemed ineligible.	08/08/2024	06/28/2025
24-18	6/4/2024	1	Review each of the 1,614 loan and 2,029 grant potential improper payments made to COVID-19 EIDL recipients we identified in the finding as also being on Treasury's Do Not Pay List and determine if the applicants can rectify the disqualifying information; if not, recover the funds.	06/17/2024	05/30/2025
24-20	7/9/2024	1	SBA's Guaranty Purchases for Paycheck Protection Program Loans	07/12/2024	05/30/2025
24-20	7/9/2024	2	Require personnel to conduct periodic monitoring and reviews of SBA's automated processes for PPP and future stimulus loan programs to ensure all eligible loans are reported to commercial credit reporting agencies, as required.	07/12/2024	05/30/2025
24-20	7/9/2024	3	Identify the credit reporting agencies to whom SBA must report current and delinquent loans for PPP and future stimulus loan programs.	07/12/2024	05/30/2025
24-20	7/9/2024	4	Review charged-off PPP loans to ensure that all eligible loans are referred to Treasury, as required.	07/12/2024	05/30/2025
24-20	7/9/2024	5	Require personnel to conduct periodic reviews of its automated Treasury referral process for PPP and future stimulus loan programs to ensure all eligible loans are referred to Treasury, as required.	07/12/2024	05/30/2025
24-20	7/29/2024	6	Conduct lender reviews to ensure lenders complied with their communication, servicing, and debt collection activity requirements. If not, require the lender to bring the loan into compliance or seek recovery of the guaranty paid by SBA as appropriate.	09/27/2024	09/30/2025
24-20	7/9/2024	7	Require lenders to submit evidence of communication, servicing, and debt collection activities with the borrower prior to guaranty purchase for PPP and future similar programs to foster and maintain program integrity.	09/26/2024	09/30/2025
24-23	8/15/2024	1	Revise regulations to require documents that can be verified to ensure firms complied with 13 CFR § 126.200(d)(3), that a legacy employee resided in a HUBZone for at least 180 days following the most recent certification (or recertification).	08/20/2024	07/30/2025

Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
24-23	8/15/2024	2	Update and implement standard operating procedures to request documents, as permitted under 13 CFR 126.304(b)(1), to verify during program examinations that firms meet size standards in the North American Industry Classification System code in which they perform on HUBZone contracts.	—	—
24-23	8/15/2024	3	Improve the HCTS system notification module to ensure recertification notifications are sent timely and consistently to all HUBZone firms.	08/20/2024	03/26/2025
24-25	9/24/2024	1	Should the Navigator program continue, establish performance targets to assess recipient's progress towards assisting underserved small business owners and entrepreneurs.	12/20/2024	01/27/2025
24-25	9/24/2024	2	Should the Navigator program continue, enhance guidance for grant recipients to use acceptable methods to collect more complete client information reported to program officials	12/20/2024	02/28/2025
24-25	9/24/2024	4	Establish and implement a risk-based process to compare performance results for Navigator program grant recipients and partner organizations that are also SBA resource partners to ensure performance is separate and discrete.	—	—

Significant Recommendations From This Reporting Period

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-03	11/5/2024	Approved Disaster Assistance Loans Matching COVID-19 EIDLs and PPP Loans With Fraud Hold Codes	1	Review the 187 loans that matched to a related COVID-19 EIDL or PPP loan with a fraud hold code for legitimacy and eligibility. If any of the 187 loans are found to be illegitimate, ineligible, or fraudulent, take appropriate action to 1) prevent disbursement of funds, 2) recover the funds, and 3) refer potentially fraudulent loans to OIG.
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	1	Ensure that future application review processes for non-bank PPP lenders (including fintechs) requesting to participate in traditional SBA loan programs include conducting reviews of the lender's compliance with PPP requirements.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	2	Enhance existing risk-based oversight plans to ensure adequate oversight of high-risk non-bank lenders, including Fintechs.
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	3	Ensure internal controls designed to restrict access to only lender service providers with accepted agreements to submit loan applications remain in place to promote program integrity in all lending programs.
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	4	Improve monitoring of lender/service provider relationships to better determine the extent of services being performed by service providers to ensure compliance with SBA requirements.
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	5	Reinforce existing guidance to lenders on reporting lender service provider relationships to SBA to ensure only accepted lender service providers are participating and benefiting from SBA programs.
25-04	11/13/2024	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	6	Update guidance on lender requirements for managing risks associated with lender service provider relationships to align with 2023 Interagency Guidance.
25-06	12/5/2024	COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs	1	Evaluate its authority to share data and develop fraud prevention resources and controls with other federal entities, including SBA, that include data sharing mechanisms to detect and mitigate fraud.
25-06	12/5/2024	COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs	2	Collaborate with SBA to conduct a joint study to assess and identify the UI claim data elements that should be shared for data matching with disaster program data elements for the purpose of detecting potentially fraudulent activities under both the UI and SBA disaster assistance programs.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-06	12/5/2024	COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs	3	Reevaluate eligibility for the 10,971 potentially fraudulent EIDLs and recover funds from ineligible recipients.
25-07	1/16/2025	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	1	Immediately flag with a hold code 50 the 45,761 lender-referred loans, totaling \$2.7 billion, suspected of fraud or illegal activity and any other such referred loans.
25-07	1/16/2025	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	2	Review 17,269 of the 45,761 lender-referred loans, totaling \$1.2 billion, suspected of fraud or illegal activity that have been forgiven and any other such loans to ensure borrowers met eligibility requirements. If not, seek recovery of funds as appropriate.
25-07	1/16/2025	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	3	Immediately flag with a hold code 50 the 6,944 lender-referred loans, totaling \$365 million, suspected of fraud or illegal activity, but not captured in OCRM's summary
25-07	1/16/2025	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	4	Review 5,130 of the 6,944 lender-referred loans, totaling \$139.1 million, suspected of fraud or illegal activity that have been forgiven and any other such loans, to ensure borrowers met eligibility requirements or seek recovery of funds as appropriate.
25-07	1/16/2025	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	5	Establish sufficient procedures, such as supervisory reviews and a reconciliation process, to ensure all lender-referred loans suspected of fraud or illegal activity are captured in OCRM's summary workbook.

Significant Management Decisions With Which OIG Disagrees

There was one significant management decision OIG disagreed with during this reporting period in *SBA's Oversight of HUBZone Program Participants' Continuing Eligibility* (Report 24-23), issued August 15, 2024.

Summary: SBA's audit follow-up official determined management would not implement OIG's Recommendation 2, that the agency update and implement standard operating procedures to request documents during program examinations, as permitted under 13 CFR 126.304(b)(1), to verify that a firm meets size standards under the NAICS code under which it performs HUBZone contracts.

SBA disagreed with the recommendation, emphasizing that at the time of certification (or recertification), a firm's size cannot be determined categorically but only in relation to an individual procurement action. SBA further disagreed with OIG's interpretation that size, as a component of eligibility, is explicitly required. SBA believes that existing safeguards for the contracting officer to verify the firm's self-attestations of its certification status in the database at the time of award is sufficient to reduce the risk of ineligible firms receiving HUBZone contract benefits.

The audit follow-up official decided the agency would continue allowing HUBZone firms to self-certify that they meet size standards but address OIG's concerns by implementing additional procedures to monitor contract volume and increase training. While these additional procedures will help program officials identify firms with indicators that revenue exceeds size standards applicable to the industry code for their business, that is only part of the equation for assessing size. For many industry codes, size is calculated based on total income plus the cost of goods sold. There are also many industry codes where size is determined based on the average number of employees. While OIG believes more robust procedures to verify that firms meet size standards is essential to reduce the risk of certifying ineligible firms, OIG has closed the recommendation.

Significant Revised Management Decisions

There were no significant revised management decisions during this reporting period.

Federal Financial Management Improvement Act of 1996

Our independent auditors, KPMG, reported in the 2024 financial statements audit that management did not establish and maintain financial management systems that substantially comply with Federal Financial Management Improvement Act of 1996 requirements. These areas related to control deficiencies over transactions arising from the implementation of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and related legislation. The auditors found financial reporting controls do not ensure compliance objectives are met, and do not ensure budgetary resources are safeguarded against waste, loss, and misuse.

Specifically, management was unable to provide evidence that the accounting treatment and financial reporting of the recovery of funds related to the RRF, SVOG, COVID-19 EIDL, and PPP programs were in accordance with U.S. generally accepted accounting principles. Substantial non-compliance with the Federal Financial Management Act increases the risk that transactions are incorrectly recorded in the general ledger and that balances in the consolidated financial statements are not accurate.

Federal Managers Financial Integrity Act of 1982

KPMG reported in the 2024 financial statements audit that management performed an internal control assessment as required under the Federal Managers Financial Integrity Act of 1982. However, management's assessment did not substantially comply with the Act and the related Office of Management and Budget (OMB) Circular No. A-123 requirements due to the urgent need to implement the provisions of the CARES Act and related legislation as quickly and efficiently as possible, and other inherent challenges faced in implementing and expanding programs.

Substantially not complying with the Federal Managers Financial Act and other related OMB Circular No. A-123 requirements may lead to not identifying the appropriate risks and key controls and not detecting internal control or compliance deficiencies. The risks of not detecting and correcting control deficiencies could result in misstatements to the consolidated financial statements.

Instances of Interference

There were no attempts by SBA officials to interfere with OIG independence during this reporting period.

Appendix D: Investigations Reporting Statistics

Investigative Reports Issued

Report Type	Number of Reports
Report of Investigation	165
Preliminary Case Closing Reports of Investigation	0
Total	165

Persons Referred for Prosecution

Referred to	Number of Persons*
Department of Justice (or other)	81
State Attorney	3
Local (other) Attorney	14
Total	98

* Number includes people and entities referred for prosecution.

Pandemic-Related Investigative Statistics

SBA OIG	Investigations (opened)	Indictments/Complaints	Arrests	Convictions
PPP/EIDL/RFF/SV*	89	86	44	109
Investment Fraud	6	4	1	8
Total	95	90	45	117

* PPP stands for Paycheck Protection Program; EIDL stands for Economic Injury Disaster Loan; RFF stands for Restaurant Revitalization Fund; SV stands for Shuttered Venue Operators Grant.

Whistleblower Retaliation Cases

There were no OIG investigations involving whistleblower retaliation cases during this semiannual period.

Investigations Involving a Senior Government Employee in Which Misconduct was Substantiated

There were no OIG investigations involving a senior government employee where misconduct was substantiated during this semiannual period.

Investigations Involving a Senior Government Employee That are Closed and Not Disclosed to the Public

There were no nonpublic, closed investigations of senior government employees during this semiannual period.

Appendix E: Legal Actions Summary

Legal Actions, October 1, 2024–March 31, 2025

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
TX	BL	USSS	Individual made material misrepresentations to a financial institution to gain approval for a PPP loan and obtained over \$400,000 by providing materially false information on loan applications regarding the existence of employees and false representation of their salaries.	Individual was sentenced to 9 months incarceration, 2 years supervised release, and ordered to pay \$405,340 in restitution.
TN	DL	FBI, FDIC, TIGTA	Individual submitted multiple fraudulent PPP and EIDL applications with fraudulent tax forms for businesses with no ownership interest.	Individual was sentenced to 51 months incarceration, 3 years supervised release, and ordered to pay \$990,570 in restitution.
FL	DL, IA	FBI, USSS	Individual made materially false statements on multiple EIDL applications regarding the existence, operation, and financial performance of businesses in a scheme to defraud the SBA EIDL program of \$3.3 million.	Individual was sentenced to 96 months incarceration, 36 months supervised release, and ordered to pay \$1 million in joint restitution.
GA	BL	FBI, FDIC	Individual conspired to defraud SBA by submitting materially false PPP loan applications and supporting documents in a scheme to obtain over \$24 million.	Individual was sentenced to 30 months incarceration, 3 years supervised release, and ordered to pay \$1.1 million in restitution.
NE	DL	FBI	Individual submitted multiple fraudulent EIDL and PPP loan applications, including falsified supporting documentation, for their companies and others to obtain over \$2.6 million in PPP and EIDL funds.	Individual was sentenced to 60 months supervised release and ordered to pay \$210,846 in restitution.
PA	BL, RRF	FBI, HSI	Subject submitted fraudulent PPP and RRF applications to SBA regarding the status of their business in a scheme that resulted in them obtaining over \$957,000.	Subject was sentenced to 21 months incarceration and 12 months supervised release.

AZ	DL	HIS, USSS, TIGTA	Individuals submitted multiple fraudulent EIDL and PPP applications using false information and obtained over \$5.7 million in EIDL and PPP loans.	Individual 1 was sentenced to 24 months incarceration, 36 months supervised release, ordered to pay \$2 million in restitution. Individual 2 was sentenced to 20 months incarceration, 36 months supervised release, and ordered to pay \$1 million in restitution. Individual 3 was sentenced to 72 months incarceration, 72 months supervised release, and ordered to pay \$403,253. Individual 4 was sentenced to 36 supervised release and ordered to pay \$720,000 in restitution. Individual 5 was sentenced to 20 months incarceration, 36 months supervised release, and ordered to pay \$650,808 in restitution.
WA	BL, DL	FBI, TIGTA	Individuals defrauded SBA and financial institutions of over \$16.7 million in PPP loans and EIDLs.	Individual 1 was sentenced to 60 months supervised release and ordered to pay \$310,000 in restitution. Individual 2 was sentenced to 196 months incarceration, 36 months supervised release, and ordered to pay \$16.3 million in restitution.
MI	DL	FBI	Individuals devised a multi-million dollar scheme to defraud SBA, private lenders using false and fraudulent information.	Individual 1 was sentenced to 20 months incarceration, 36 months supervised release, and ordered to pay \$639,360 in restitution. Individual 2 was sentenced to 40 months incarceration and 36 months of supervised release. Individual 3 was sentenced to 36 months of supervised release. Individual 4 was sentenced to 42 months incarceration and 36 months of supervised release. Individual 5 was sentenced to 60 months and 36 months of supervised release. Individual 6 was sentenced to 12 months incarceration and 36 months of supervised release.

OK	DL	FRB OIG	Subject conspired with others to defraud SBA by submitting over 40 materially false EIDL applications using others personally identifiable information.	Subject was sentenced to 12 months incarceration, 36 months supervised release, and ordered to pay \$250,000 in restitution.
IA	BL	FBI, FDIC, DHS HSI	Individuals recruited associates and submitted PPP applications containing materially false information in a scheme that netted over \$2.5 million in PPP loans.	Individual 1 was sentenced to 10 months incarceration, 3 years supervised release, and ordered to pay \$60,744 in restitution. Individual 2 was sentenced to 6 months incarceration, 24 months supervised release, and ordered to pay \$75,417 in restitution.
WA	DL	USSS	Subject fraudulently applied for and received a \$126,000 EIDL and failed to report any business to the Kings County Housing Authority where she receives Section 8 subsidized housing assistance.	Subject was sentenced to 9 months incarceration, 36 months supervised release, and was ordered to pay \$126,400 in restitution.
HI	BL	FDIC, IRS CI, FRB OIG	Individuals submitted multiple fraudulent PPP loan applications to various banks and obtained approximately \$1.3 million. The PPP applications contained false and fraudulent documents, including IRS forms, employee wages, and payroll summaries. Individuals transferred the PPP funds to their own accounts for personal expenses, including a vehicle, mortgage payments on their home, and a down payment on a condo located in Hawaii.	Individual 1 was sentenced to 36 months incarceration, 3 years of supervised release. Individual 2 was sentenced to 27 months incarceration, 3 years supervised release. Individuals were ordered to pay \$1.4 million in joint restitution.
IL	BL, DL	IRS CI	Individual received PPP loans and EIDLs issued to businesses who were assigned a Federal Employer Identification Number on or after Feb. 15, 2020. The applications contained materially false statements and misrepresentations concerning the applicant's payroll and fraudulent state payroll tax returns resulting in \$1.3 million in funding.	Individual was sentenced to 6 months incarceration, 3 years supervised release, and ordered to pay \$1.3 million in restitution.
GA	BL	USSS, TIGTA	Subject fraudulently obtained \$1.2 million in PPP loans for a nonexistent company.	Subject was sentenced to 37 months incarceration, 36 months supervised release, and was ordered to pay \$1.2 million in restitution.

FL	BL	FBI, FDIC	Individual made multiple false statements and submitted fraudulent PPP loan applications on behalf of entities they controlled.	Individual was sentenced to 135 months incarceration, 60 months supervised release, and ordered to pay \$4.2 million in restitution.
OR	DL, BL	FBI, TIGTA	Individuals schemed to defraud SBA by submitting false and fraudulent EIDL applications misrepresenting the number of employees, gross revenues, and business establishment dates. As a result, they fraudulently obtained over \$628,443 in PPP and EIDL funds.	Individual 1 was sentenced to 2 months of home confinement, 36 months supervised release, and 600 hours of community service. Individual 2 was sentenced to 2 months of home confinement, 36 months of supervised release, and 600 hours of community service.
CA	DL, BL	DHS HSI, USPIS	Individual was involved in a fraud ring using stolen personally identifying information to apply for PPP and EIDL funds on behalf of fictitious businesses, falsely claiming the businesses had large payrolls.	Individual was sentenced to 105 months incarceration, 3 years supervised release, and ordered to pay \$677,151 in restitution.
MD	BL, DL	FBI	Multiple individuals conspired to fraudulently obtain PPP and EIDL funds for nonexistent businesses. The materially false statements included information pertaining to payroll, revenue, and the number of employees. There were also acts of kickbacks and bribery. They used the \$14.2 million to purchase luxury goods.	Individual 1 was sentenced to 65 months incarceration, 3 years supervised release, and ordered to pay \$3 million in restitution. Individual 2 was sentenced to 48 months incarceration, 3 years supervised release, and ordered to pay \$1.3 million in restitution.
TX	BL	TIGTA	Individuals submitted false PPP loan applications in the name of entities under their ownership and control to various banks to fraudulently obtain over \$3 million in PPP loans.	Individual 1 was sentenced to 286 months incarceration, 3 years supervised release, and ordered to pay \$3 million in restitution. Individual 2 was sentenced to 108 months incarceration, 3 years supervised release, and ordered to pay \$3 million in restitution. Individual 3 was sentenced to 60 months supervised release and ordered to pay \$1.6 million in restitution.
MN	DL	FDIC, FRB OIG, TIGTA	Individual while employed by a financial institution, provided false information to SBA on multiple EIDL applications, resulting in over \$250,000 in disbursements.	Individual 1 was sentenced to 12 months probation and ordered to pay \$9,000 in restitution.

FL	BL	FBI, DHS HSI, IRS CI, USSS	Individual conspired to fraudulently obtain funds by means of materially false representations on PPP and EIDL applications seeking over \$25 million.	Individual 1 was sentenced to 18 months incarceration, 3 years supervised release, and ordered to pay \$2.4 million in restitution.
OR	DL	FBI	Subject fraudulently received EIDL funding on behalf of several businesses, some of which were fictitious companies, and used the funds for personal use.	Subject was sentenced to 6 months home confinement, 3 years supervised release, and ordered to pay \$33,314 in restitution.
TX	BL	FBI, DOI OIG	Individual conspired with others to defraud SBA by submitting multiple fraudulent PPP and EIDL applications netting over \$1.9 million.	Individual was sentenced 3 years probation and ordered to pay \$210,627 in restitution.
CA	DL	FBI, IRS CI	Individual, a convicted felon, fraudulently received an EIDL for \$150,000 and also evaded taxes.	Individual was sentenced to 40 months incarceration, 3 years supervised release, and ordered to pay \$1.4 million in restitution.
WA	BL	DOL OIG, USSS	Subject submitted a fraudulent PPP loan application for \$20,833 and supporting documentation for a fictitious business.	Subject was sentenced to 60 months probation and ordered to pay \$39,848 in restitution.

TX	DL, IA	FBI, TIGTA	Subjects conspired with others to defraud SBA by accessing agency databases for borrower information to apply manipulate, fabricate, and upload fraudulent IRS and SBA forms used to process EIDLs, making it possible for ineligible individuals to receive EIDL funding.	<p>Subject 1 was sentenced to 1 month incarceration, 36 months supervised release, and ordered to pay \$200,000 in restitution.</p> <p>Subject 2 was sentenced to 1 month incarceration, 60 months supervised release, and ordered to pay \$198,500 in restitution.</p> <p>Subject 3 was sentenced to 6 months incarceration, 60 months supervised release, and ordered to pay \$200,000 in restitution.</p> <p>Subject 4 was sentenced to 36 months probation, and ordered to pay \$210,000 in restitution.</p> <p>Subject 5 was sentenced to 1 month incarceration, 60 months supervised release, and ordered to pay \$200,000 in restitution.</p> <p>Subject 6 was sentenced to 3 months incarceration, 36 months supervised release, and ordered to pay \$212,625 in restitution.</p> <p>Subject 7 was sentenced to 36 months supervised release, and ordered to pay \$197,900 in restitution. Subject 8 was sentenced to 18 months incarceration, 60 months supervised release, and ordered to pay \$200,000 in restitution.</p> <p>Subject 9 was sentenced to 1 month incarceration, 60 months supervised release, and ordered to pay \$210,000 in restitution.</p>
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OK	BL	CIGIE, HUD OIG, IRS CI, SSA OIG, USPIS, VA OIG	Subjects submitted false statements and fraudulently applied for multiple PPP loans for over \$2.6 million while living in the HUD Section 8 Housing Program.	Subject 1 was sentenced to 36 months probation and ordered to pay \$41,665 in restitution. Subject 2 was sentenced to 48 months supervised release, 120 months home confinement, and ordered to pay \$85,800 in restitution. Subject 3 was sentenced to 33 months incarceration, 36 months supervised release, and ordered to pay \$1.3 million in restitution. Subject 4 was sentenced to 33 months incarceration and ordered to pay \$70,832 in restitution.
IA	DL	USDA OIG, FDIC, DHS HSI, DOL OIG	Individual applied for and received EIDL funds with false statements of the status of the business.	Individual 1 was sentenced to 188 months incarceration, 36 months supervised release, and ordered to pay \$5.7 million in restitution.

PR	DL, BL	TIGTA, IRS CI, USSS	Individuals participated in an organized fraud ring that recruited others to defraud the PPP and EIDL programs to receive over \$9 million in funding, collecting kickbacks.	Individual 1 was sentenced to 18 months incarceration, 36 months supervised release. Individual 2 and 3 were sentenced to 24 months probation. Individual 4, 5, and 6 were sentenced to 12 months probation. Individual 7 was sentenced to 6 months probation. Individual 8 and 9 were sentenced to 12 months probation. Individual 10 and 11 were sentenced to 24 months probation. Individual 12, 13, and 14 were sentenced to 12 months probation. Individuals 15-19 were sentenced to 24 months probation. Individual 20 was sentenced to 12 months probation. Individuals 21-24 were sentenced to 24 months probation. Individual 25 was sentenced to 12 months probation. Individual 26 was sentenced to 37 months incarceration and 60 months supervised release. Individual 27, 28, and 29 were sentenced to 12 months probation. Individual 30 was sentenced to 24 months probation. Individual 31 was sentenced to 12 months probation. Individual 32 was sentenced to 30 months incarceration and 36 months supervised release. Individual 33, 34, and 35 were sentenced to 24 months probation. Individual 36 was sentenced to 33 months incarceration and 60 months probation. Individual 37 was sentenced to 24 months probation. Individual 38 was sentenced to 12 months probation. Individual 39 was sentenced to 24 months probation. Individual 40 was sentenced to 27 months incarceration and 60 months supervised release. Individual 41 was sentenced to 12 months of probation. Individual 42 was sentenced to 24 months probation.
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				Individuals 43-48 were sentenced to 12 months probation. Individuals were ordered to pay \$9 million in restitution.
GA	DL, BL	FBI	Individual applied for and received \$600,000 in EIDLs and PPP loans on behalf of her employer's company and used portions of the funds for personal use.	Individual was sentenced to 66 months incarceration, 3 years supervised release, and ordered to pay \$298,042 in restitution.
WA	BL, DL	FBI, USPIS DOL OIG, IRS CI	Individual conspired to use over 630 stolen identities to obtain \$25 million in COVID-19 related benefits. Individual fraudulently obtained \$2.4 million in funds.	Individual was sentenced to 54 months incarceration, 3 years supervised release, and ordered to pay \$1.3 million in restitution.
ID	DL	TIGTA	Subject applied for and fraudulently received a total of \$927,400 in CARES Act funding through false applications and documents.	Subject was sentenced to 2 months incarceration, 3 years supervised release, and ordered to pay \$927,400 in restitution.
OR	BL, DL	TIGTA, NCIS, IRS CI	Subject made multiple false statements and attempted to obtain multi-million dollar PPP loans and EIDLs.	Subject was sentenced to 36 months supervised release and ordered to pay \$120,405 in restitution.
CA	DL, BL	FBI, HHS OIG	Subject made multiple false statements and attempted to obtain EIDL and PPP loans over \$850,000. Subject transferred the proceeds to an investment fund for personal use.	Subject was sentenced to 36 months of supervised release and ordered to pay \$500,000 in restitution.
CO	DL	USSS	As part of the scheme, subject fraudulently applied for \$867,700 in EIDLs and PPP loans, obtaining \$673,500.	Subject was sentenced to 8 months incarceration, 36 months supervised release, and ordered to pay \$673,500 in restitution.
AK	DL, BL	DHS HSI	Subject made false statements about the lack of criminal history in several EIDL and PPP applications and secured \$626,683 in funding.	Subject was sentenced to 13 months incarceration, 3 years supervised release, and ordered to pay \$122,500 in restitution.
GA	DL	TIGTA	Individuals conspired to defraud SBA and received \$595,265.00 in fraudulently obtained PPP funds and \$20,000 in EIDL grants.	Individual 1 was sentenced to 32 months incarceration, 3 years supervised release. Individual 2 was sentenced to 28 months incarceration, 36 months supervised release. Individuals were ordered to pay \$931,208 in joint restitution.
WA	BL, DL	DHS HSI, DHS OIG, TIGTA	Individual fraudulently obtained an EIDL and multiple PPP loans, totaling \$157,881 by making fraudulent claims on loan applications.	Individual was sentenced to 45 months incarceration, 60 months supervised release, and ordered to pay \$203,347 in restitution.

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CA	DL, BL	FBI, IRS	Subject submitted false and fraudulent EIDL and PPP applications for more than \$2.5 million for four fabricated businesses.	Subject was sentenced to 35 months incarceration, 24 months supervised release, and was ordered to pay \$2 million in restitution.
FL	DL	FBI	Miami-Dade Corrections Officer, fraudulently submitted an EIDL application seeking over \$149,900 in COVID-19 relief funds for a business that did not exist.	Subject was sentenced to 36 months of probation and 8 months of home confinement.
CO	BL	IRS	Individual devised and participated in a scheme to defraud the PPP loan program with inflated payroll costs and gross receipts, made false statements and certifications, and submitted fabricated tax documents and payroll reports.	Individual was sentenced to 24 months incarceration, 3 years supervised release, and ordered to pay \$549,274 in restitution.
FL	BL	USSS	Individuals participated in an organized criminal enterprise to steal \$766,000 in PPP loan proceeds.	Individual 1 was sentenced to 26 months incarceration and 3 years supervised release. Individual 2 was sentenced to 71 months incarceration, 3 years supervised release, and ordered to pay \$14.5 million in restitution.
AL	DL	DOL, DOJ, DHS HSI	Subject was incarcerated and devised a scheme with other individuals to steal identities to obtain \$3.3 million in EIDLs that were laundered via bank accounts created using the stolen identities.	Subject was sentenced to 186 months incarceration, 5 years supervised release, and ordered to pay \$269,821 in restitution and \$90,951 in joint restitution.
DC	BL, DL	USDA	Individual received PPP and EIDL funding for nonexistent businesses while working for USDA. The funds were used to purchase a home in the name of her mother, an SBA employee.	Individual was sentenced to 15 months incarceration, 2 years supervised release, and ordered to pay \$844,415 in restitution.
CA	BL	IRS	Subject secured \$3 million in PPP loans and EIDLs using false business information and then used the funds for personal expenses.	Subject was sentenced to 18 months incarceration, 36 years supervised release, and ordered to pay \$2.9 million in restitution.
HI	BL	IRS, TIGTA	Individual fraudulently submitted false documents in PPP and EIDL applications to obtain approximately \$12 million in COVID-19 relief funds.	Individual was sentenced to 87 months incarceration, 60 months supervised release, 12,000 hours of community service, and ordered to pay \$12.8 million in restitution.

GA	DL	FBI, USSS, TIGTA	Subject obtained \$1 million in EIDLs with the stolen identities of 43 people and false business information.	Subject was sentenced to 46 months incarceration, 3 years supervised release, and ordered to pay \$210,000 in restitution.
CA	BL	FBI	Subject submitted false and fraudulent PPP loan applications using false business information.	Subject was sentenced to 36 months probation, 24 months home confinement, 576 hours community service, and ordered to pay \$166,055 in restitution.
TX	BL	FDIC, FHFA, DHS HSI, TIGTA	A Certified Public Accountant and his employees recruited individuals to apply for PPP loans, charging up to 50% of the loan proceeds. The individuals created false documents and entered misleading information on the PPP applications.	Individual was sentenced to 6 months incarceration, 3 years supervised release, and ordered to pay \$164,250 in restitution.
UT	BL, DL	FBI, TIGTA	Company owner provided gratuities and bribes to government officials in exchange for government contracts.	Individual was sentenced to time served, 24 months supervised release, and ordered to pay \$48,507 in restitution.
FL	BL	FDIC, FBI	Individual submitted fraudulent PPP loan applications on behalf of entities they controlled.	Individual was sentenced to 135 months incarceration, 60 months supervised release, and ordered to pay \$4.2 million in restitution.
WA	DL	DOE OIG	Individual fraudulently applied for \$422,242 PPP loans using false information.	Individual was sentenced to 12 months probation and ordered to pay \$493,865 in restitution.
TN	BL	FDIC, FHFA, USSS, TIGTA	Individual used stolen identities to obtain PPP funds, submitted fraudulent documents, and used the funds for personal purchases.	Individual was sentenced to 30 months incarceration, 3 years supervised release, and order to pay \$786,712 in restitution.

The following lists define the program codes for legal actions and the abbreviations in the table.

Legal Actions Summary Program Codes

BL	=	Business Loans
DL	=	Disaster Loans
GC	=	Government Contracting and Section 8(a) Business Development
RRF	=	Restaurant Revitalization Fund
IA	=	Internal Affairs
OT	=	Other

Joint Investigation Agency Acronyms

Council of the Inspectors General on Integrity and Efficiency (CIGIE)
 Defense Criminal Investigative Service (DCIS)
 Department of Commerce Office of Inspector General (DOC OIG)
 Department of Energy Office of Inspector General (DOE OIG)
 Department of Labor Office of Inspector General (DOL OIG)
 Department of Health and Human Services Office of Inspector General (HHS OIG)

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Department of Homeland Security Homeland Security Investigations (DHS HSI)
Department of Homeland Security Immigration and Customs Enforcement (DHS ICE)
Department of Homeland Security Office of Inspector General (DHS OIG)
Department of the Interior Office of Inspector General (DOI OIG)
Department of Justice Office of Inspector General (DOJ OIG)
Department of Justice Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)
Department of State Office of Inspector General (DOS OIG)
Department of Transportation Office of Inspector General (DOT OIG)
Department of Treasury Inspector General for Tax Administration (TIGTA)
Department of Treasury Special Inspector General for the Troubled Asset Relief Program (SIGTARP)
Department of Veterans Affairs Office of Inspector General (VA OIG)
Federal Bureau of Investigation (FBI)
Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG)
Federal Housing Finance Agency Office of Inspector General (FHFA OIG)
Federal Reserve Board Office of Inspector General (FRB OIG)
General Services Administration Office of Inspector General (GSA OIG)
Internal Revenue Service Criminal Investigation (IRS CI)
National Aeronautics and Space Administration Office of Inspector General (NASA OIG)
Social Security Administration Office of Inspector General (SSA OIG)
State of California Employment Development Department (State of CA EDD)
United States Airforce Office of Special Investigations (AFOSI)
United States Army/Criminal Investigation Division (Army CID)
United States Department of Agriculture Office of Inspector General (USDA OIG)
United States Naval Criminal Investigative Service (NCIS)
United States Postal Inspection Service (USPIS)
United States Secret Service (USSS)

Appendix F: Cosponsored and Other Activities

SBA's authorization to cosponsor events requires OIG to report to Congress on the Administrator's use of that authority semiannually. The following list of activities was provided by the SBA Office of Strategic Alliances.

Name/Subject of Event	Name of Cosponsor(s)	Event Location	Date Fully Executed
Are you Lender Ready?	Northern Rhode Island Chamber of Commerce	Online	10/3/2024
Town Hall with City of Kinston and SBA	City of Kinston	City of Kinston, NC	10/10/2024
Upstate NY Matchmaker	Syracuse DO - New York Business Development Corp. DBA Pursuit Lending, NYSTEC, State University of New York, University of Albany Small Business Development Center	Albany, NY	10/22/2024
2025 National Small Business Week	SCORE Association	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	10/23/2024
Washington Small Business Fair (Washington Biz Fair)	Washington Small Business Development Center, Washington State Governor's Office for Regulatory Innovation and Assistance, Washington State Department of Commerce and Pierce College Puyallup	Spokane, WA; Puyallup, WA; and Pasco, WA	10/24/2024
Contracting, Business Matchmaking, Financing, Lender's Conference and Small Business Outreach Events	State of Hawaii Department of Transportation, Office of Civil Rights Disadvantaged Business Enterprise	Hawaii statewide	10/29/2024
2025 Nevada Small Business Awards Lunch	AAPI Chamber of Commerce	Las Vegas, NV	10/29/2024
2025 National Small Business Week Awards Breakfast	Albuquerque Hispano Chamber of Commerce	Albuquerque, NM	11/7/2024
Government Procurement Training Series for FY 2025	University of North Dakota	Webinars and in-person training events at various locations throughout North Dakota	11/14/2024
ASCENT: Contract Ready	Utah APEX Accelerator, a division of the Utah Governor's Office of Economic Opportunity	Virtual	12/3/2024

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Name/Subject of Event	Name of Cosponsor(s)	Event Location	Date Fully Executed
Asian Small Business Finance Summit	Lotus Entrepreneurship Institute DBA ElevAsian, Initiative for a Competitive Inner City and Asian Business Empowerment Council	Boston, MA	12/3/2024
New Hampshire Small Business Matchmaker	NH Small Business Development Center and NH APEX Accelerator	Virtual and in-person (Pembroke, NH)	12/16/2024
2025 National Small Business Week	Visa USA Inc.	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	12/16/2024
Atlanta Technical College Innovation and Pop Up Business Incubator and follow-up small business events at the Small Business Center at Atlanta Technical College	Atlanta Technical College	Atlanta, GA	1/8/2025
Norwood Area Capital and Resources Matchmaker	Town of Norwood	Norwood, MA	1/15/2025
Rhode Island National Small Business Week – Congressional Breakfast and Salute to Small Business Awards Luncheon	Skills for Rhode Island’s Future	Warwick, RI	1/15/2025
2025 National Small Business Week	Lockheed Martin Corp.	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	1/17/2025
2025 National Small Business Week	Verizon Communications	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	1/18/2025
Small Business Outreach, Counseling and Training Opportunities	City and County of Honolulu Office of Economic Revitalization	State of Hawaii	1/28/2025
National Small Business Week 2025	T-Mobile USA Inc.	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	2/1/2025
National Small Business Week 2025	BLOCK Inc.	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	2/7/2025

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Name/Subject of Event	Name of Cosponsor(s)	Event Location	Date Fully Executed
Connect & Innovate Small Business Empowerment Summit	Skills for Rhode Island's Future	Warwick, RI	2/12/2025
2025 National Small Business Week	Constant Contact Inc	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	2/21/2025
2025 National Small Business Week	Google LLC	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	2/24/2025
2025 National Small Business Week	Worldpay	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	2/24/2025
Capital & Contracting Matchmaker – Celebrating Black History Month	Roxbury Community College	Boston, MA	2/25/2025
2025 Northern Ohio Small Business Week & Lender Awards Celebration	Corporate College (a division of Cuyahoga Community College)	Warrensville Heights, OH	2/25/2025
Utah National Small Business Week Awards Event	Mountain America Federal Credit Union and Utah Small Business Development Center Network	West Jordan, UT	3/7/2025
2025 SBA West Virginia Small Business Week Awards Luncheon Event	Bank of Charles Town/The Community's Bank; Community Trust Bank; First Community Bank; The Huntington National Bank; WesBanco Bank Inc	Fairmont, WV	3/12/2025
2025 National Small Business Week	U.S. Bancorp (U.S. Bank)	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	3/18/2025
2025 National Small Business Week	Paychex Inc.	Washington, DC; Boise, ID; Phoenix, AZ; Nashville, TN; Hartford, CT; and virtual	3/20/2025

Appendix G: External Peer Reviews

Section 5(a) of the IG Act requires offices of inspector general to report peer review results in their semiannual reports to Congress. The following information is provided in accordance with these requirements.

Audits Division

The *Government Auditing Standards*, or Yellow Book, issued by the Comptroller General of the United States, requires that audit organizations performing audits and attestation engagements in accordance with the Yellow Book must have an external peer review performed by reviewers independent of the audit organization being reviewed at least once every 3 years. OIG's Audits Division was reviewed by the National Railroad Passenger Corporation OIG for the period ending March 31, 2024. SBA OIG received a peer review rating of pass.

Similarly, the Council of the Inspectors General on Integrity and Efficiency (CIGIE) requires that organizations that conduct inspections and evaluations under the *Quality Standards for Inspection and Evaluation*, or Blue Book, must have an external peer review at least once every 3 years. During FY 2023, our Audits Division underwent a Blue Book peer review conducted by the Board of Governors of the Federal Reserve System OIG. SBA OIG generally met Blue Book standards.

Investigations Division

Section 6(e)(7) of the IG Act, Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority, and the CIGIE *Quality Standards for Investigations* require external peer reviews of OIG investigative functions be conducted every 3 years.

In May 2023, Treasury OIG reviewed our Investigations Division and issued a final report on June 6, 2023. Treasury OIG found that the system of internal safeguards and management procedures for the investigative function of OIG complied with the quality standards established by CIGIE and the applicable Attorney General's guidelines. No recommendations were offered.

Appendix H: Office of Inspector General Reporting Requirements

Under the Inspector General Act of 1978, as amended, OIG provides independent, objective oversight to improve the integrity, accountability, and performance of SBA and its programs for the benefit of the American people.

Although SBA's programs are essential to strengthening America's economy, the agency faces several challenges in carrying out its mission. Access our annual report of the agency's top management and performance challenges on our [OIG Reports web page](#).

OIG plays a critical role in addressing these and other challenges by conducting audits to identify wasteful expenditures and program mismanagement; investigating fraud and other wrongdoing; and taking other actions to deter and detect waste, fraud, abuse, and inefficiencies in SBA programs and operations.

OIG's activities also help to ensure that SBA employees possess a high level of integrity. This is critical to the proper administration of SBA's programs because it helps ensure SBA resources are used by those who need them the most. Copies of OIG reports and other products are available at our [OIG Reports web page](#).

Reporting Requirements in the Inspector General Act of 1978, As Amended, 5 USC Chapter 4

Section	Reporting Requirement	Location
404(a)(2)	Review of legislation and regulations	Other Significant OIG Activities
405(b)(1)	Significant problems, abuses, and deficiencies	Throughout
405(b)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	Significant Recommendations From This Reporting Period
405(b)(3)	Prior significant recommendations on which corrective action has not been completed	Significant Recommendations From Prior Reporting Periods Without Final Action as of September 30, 2019
405(b)(4)	Matters referred to prosecutive authorities	Legal Actions Summary
406(c)(2)	Instances in which requested information was refused	N/A
405(b)(6)	List of audit, inspection, and evaluation reports	Reports Issued; Reports With Questioned Costs
405(b)(7)	Significant reports	Throughout
405(b)(8),(9) & (17)	Audit, inspection, and evaluation statistical tables	Statistical Highlights

405(b)(9)	Audit, inspection, and evaluation statistical tables with recommendations that funds be put to better use	Statistical Tables With Recommendations That Funds Be Put to Better Use
405(b)(10)	Audit, inspection, and evaluation reports without management decision, without comment within 60 days, or with unimplemented recommendations	Reports from Prior Periods With Overdue Management Decisions; Reports From Prior Periods With Open Recommendations as of September 30, 2019
405(b)(11)	Revised management decisions	Significant Revised Management Decisions
405(b)(12)	Management decisions with which the Inspector General disagrees	Significant Management Decisions With Which OIG Disagrees
405(b)(13)	Information described under section 05(b) of the Federal Financial Management Improvement Act of 1996	Federal Financial Management Improvement Act
405(b)(14)–(16)	Peer review results	External Peer Reviews
405(b)(17)–(18)	Investigative statistical tables and supporting metrics	Investigations Reporting Statistics
405(b)(19)	Investigations involving a senior government employee where allegations of misconduct were substantiated	Investigations Involving a Senior Government Employee Where Misconduct Was Substantiated
405(b)(20)	Whistleblower retaliation	Whistleblower Retaliation Cases
405(b)(21)	Attempts to interfere with the independence of OIG	Instances of Interference
405(b)(22)	Each closed inspection, evaluation, and audit not disclosed to the public; each closed investigation involving a senior government employee not disclosed to the public	Investigations Involving a Senior Government Employee That Is Closed and Not Disclosed to the Public

Make a Difference

To promote integrity, economy, and efficiency, we encourage you to report instances of fraud, waste, or mismanagement to the OIG Hotline.*

Visit our [OIG Hotline website](#).

Write or visit:

U.S. Small Business Administration
Office of Inspector General
Investigations Division
409 Third Street, SW (5th Floor)
Washington, DC 20416

* In accordance with Sections 407(b) and 420 (b)(2)(B) of the Inspector General Act of 1978, confidentiality of a complainant's personally identifying information is mandatory, absent express consent by the complainant authorizing the release of such information.