

Semiannual Report to Congress

April 1, 2025 – September 30, 2025



Message from the Deputy Inspector General

November 30, 2025



Deputy Inspector General
Sheldon Shoemaker

I am pleased to present the U.S. Small Business Administration’s (SBA) Office of Inspector General (OIG) Fall 2025 *Semiannual Report to Congress*. This report summarizes OIG’s activities from April 1, 2025 through September 30, 2025, as required by law.

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 April through September 2025, OIG issued 15 reports with 52 recommendations to improve SBA operations and reduce fraud and unnecessary losses in agency programs. In addition, OIG investigations resulted in 128 indictments and 91 convictions. Overall, OIG’s investigations

and audit work achieved total dollar accomplishments of \$2.09 billion during this semiannual period.

Significant reviews and investigations in this report include:

- A Nevada man sentenced to 181 months imprisonment and ordered to pay over \$11 million for misappropriating millions in Paycheck Protection Program (PPP) loans to gamble at Las Vegas casinos and purchase luxury vehicles and real estate.
- A former SBA loan officer approved her own fraudulent loan application, initially declined by SBA, and then further abused her position by approving over \$1 million in loans she or her relatives submitted. She pled guilty to making false statements to SBA in connection with this network of pandemic assistance fraud.
- A management advisory (Report 25-12) on how SBA did not complete its review process for 37,938 PPP loans, totaling approximately \$4.6 billion, that were flagged as potentially ineligible. The agency may miss opportunities to recover identified improper payments for these loans.
- An evaluation (Report 25-24) identified that major disasters have become more frequent and costly, yet SBA’s budget requests for its disaster loan program have not significantly

OIG Accomplishments this Period	
 Reports	15
 Recommendations	52
 Dollar Accomplishments	\$2.09B

increased nor accounted for major disaster activity. SBA did not make a timely formal request for funds and announced in October 2024 that funds in its disaster loans program account had been exhausted. As a result, it took over 2 months for funds to be appropriated, and SBA was delayed in disbursing disaster assistance loans to homeowners and businesses affected by disasters between October 15 and December 21, 2024.

- An evaluation (Report 25-25) of how SBA has been unable to pass a financial audit in the last 5 years, receiving disclaimers of opinion year after year. We recommended SBA enhance its new strategy for addressing material weaknesses to obtain a clean audit opinion.

The nation can depend on OIG to provide independent, objective, and timely oversight of SBA. OIG's engaged workforce will continue to give taxpayers a significant return on investment, rooting out fraud, waste, and abuse in SBA programs.



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.

Summary of OIG Oversight Work

Small Business Access to Capital

The U.S. Small Business Administration (SBA) provides qualifying small businesses with capital to start up or grow through several key programs that have the overall goal of strengthening the American economy. The agency has a financial assistance portfolio of guaranteed loans totaling about \$163 billion, as of June 2025.

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.

In 2023 and 2024, SBA made significant policy changes to its flagship 7(a) loan program to help expand access to capital for disadvantaged entrepreneurs. The agency lowered underwriting standards and granted mission-driven financial institutions access to the 7(a) loan program as Community Advantage Small Business Lending Companies. In 2025, SBA reversed many of these changes. The agency has recently issued a moratorium on the expansion of the program and will require existing lenders to meet prudent financial stability standards as a condition of further participation.

Criminals use a wide array of techniques to fraudulently get — or induce others to obtain — SBA-guaranteed loans. This includes 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. The Office of Inspector General (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.

Management Advisory and Evaluation



SBA's Actions to Address Forgiven PPP Loans Subsequently Flagged as Potentially Ineligible (Report 25-12)

We advised SBA to act on forgiven Paycheck Protection Program (PPP) loans that it had flagged as potentially ineligible using hold code 70, a potential clawback. SBA uses hold code 70 to flag forgiven PPP loans that it suspects were originally ineligible for funds or forgiveness.

We found SBA did not complete its review process for 37,938 PPP loans, totaling approximately \$4.6 billion, flagged with hold code 70. SBA only completed the first two steps of its four-step review process for loan or forgiveness amounts in which the reviewer and approver either disagreed or recommended the amount be denied in part or in full. We also found 26,234 PPP loans, each valued at \$25,000 or less, totaling approximately \$454 million, that were forgiven and subsequently flagged by SBA with hold code 70. SBA stated it planned to review but may not recover funds deemed ineligible. Consequently, SBA could miss opportunities to recover identified improper payments for these loans.

We recommended SBA complete reviews for these flagged loans to ensure borrowers met eligibility requirements and seek recovery of all ineligible loans. We also recommended the agency develop criteria to formalize policies and procedures for recovering improper payments for all loans subsequently flagged with hold code 70 and later deemed ineligible. SBA management agreed with our recommendations.

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



Eligibility of PPP Loans Exceeding Maximum Size Standards (Report 25-14)

This was a follow-up review of [a report we issued in 2021](#) that identified 355 PPP loans had been made to businesses that likely didn't qualify as "small," so meeting the size standard requirement. The businesses were likely ineligible for the funds meant to help small businesses during the economic crisis because they had more than 500 employees. Using data analysis, we identified 79 of those 355 loans still appeared to exceed the maximum size standard. The size standard is the number of employees established by SBA for the industry in which the business operates.

We reviewed 64 of the 79 loans identified as potentially exceeding size standards and determined SBA did not validate size standard eligibility requirements for 48 of them, totaling approximately

\$343 million. Of the 48 loans, 29 (totaling \$196.5 million) were forgiven using memoranda unrelated to size standard requirements. Nineteen of the loans, totaling \$146 million, were forgiven without sufficient documentation to support loan review decisions. SBA did not have reasonable assurance that borrowers met size standard requirements, which increased the risk of improper payments and loss of taxpayer funds. Although SBA implemented controls designed to ensure borrowers met size standard eligibility requirements, the agency overrode these controls and did not always validate eligibility for borrowers flagged as potentially exceeding the size standard.

We recommended SBA obtain the documentation necessary to fully assess borrower size standard eligibility for the 48 loans to ensure eligibility requirements were met and, if not, seek repayment of forgiveness amounts. SBA management partially agreed with our recommendations.

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

Notable Investigations



Founders of Lender Service Provider Convicted for Multimillion PPP Fraud Scheme

A Texas couple were convicted in an investigation involving over \$6 billion in funded PPP loans and approximately \$1 billion in SBA paid lender fees. This scheme was facilitated by recruiters, several of whom have been charged associated with an additional \$198 million. They co-founded a financial technology company in April 2020 purportedly to assist applicants in obtaining PPP loans. To obtain larger loans for certain PPP applicants, they and other co-conspirators fabricated documents, including payroll records, tax documentation, and bank statements. They charged borrowers illegal kickbacks based on a percentage of the funds received.

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. They and others expanded the fintech's operations through lender service provider agreements with two SBA lenders. Under these agreements, the fintech collected and reviewed PPP applications from potential borrowers on behalf of the lenders and worked with the lenders to submit applications to SBA in exchange for a percentage of the fees that SBA paid to the lenders for approved loans. The fintech also had a program called VIPPP, in which they offered a personalized service to help potential borrowers complete PPP loan applications.



Nevada Man Sentenced in \$11 Million Pandemic Relief Fraud and Money Laundering Scheme

A Nevada man was sentenced to 181 months of imprisonment and ordered to pay over \$11 million in restitution after he misappropriated millions in loan proceeds to gamble at Las Vegas casinos and purchase luxury vehicles and real estate. He was ordered to forfeit two vehicles and three properties located in the Las Vegas area. He fraudulently submitted PPP loan applications and obtained over \$11 million in taxpayer funding allocated by Congress for entrepreneurs and small business owners adversely affected by the pandemic.



Suburban Chicago Businessman Convicted in PPP Fraud Schemes

An Illinois man was convicted of multiple counts of bank fraud, making false statements to a financial institution, money laundering, and aggravated identity theft in a scheme to fraudulently obtain over \$55 million in commercial loans, lines of credit, and PPP loans. He fraudulently obtained funds he was not eligible for from loans and lines of credit for his information technology companies. These funds came from federally insured financial institutions, two of which he later defaulted on. To qualify for the funds, he submitted bank statements fraudulently inflating deposits, balance sheets that overstated revenues, and fabricated audited financial statements with forged signatures. He is scheduled to be sentenced in November 2025.



Former SBA Employee From South Florida Headed to Federal Prison After Defrauding Pandemic Relief Program

A former SBA employee who fraudulently obtained pandemic relief money to spend on luxury items was sentenced to 54 months imprisonment and ordered to pay \$1.3 million in restitution. While employed by SBA, the employee defrauded the PPP and EIDL program, as well as credit unions and local and state programs created to assist those adversely affected by the economic crisis. The employee used fraudulent documentation to qualify for a \$230,246 small business loan, which they used to buy a designer teacup puppy and luxury items from Louis Vuitton, Nordstrom, Goyard, Chanel, and Fendi. In addition, the former employee also conspired with others to submit fraudulent PPP loan applications on their behalf and was later held accountable for losses over \$830,000.



California Man Pleads Guilty in Scheme Involving Over 50 Loan Applications

A California man pled guilty of conspiracy to commit bank fraud and wire fraud in a scheme with his co-conspirators to submit 41 fraudulent PPP loan applications and 13 Coronavirus Disease 2019 (COVID-19) Economic Injury Disaster Loan (EIDL) applications. The co-conspirators used the \$13.7 million in PPP and EIDL funds for their own personal benefit, purchasing luxury vehicles and residential properties, cryptocurrency, and private jet travel.



Houston Rap Artist and Influencer, 11 Others Found Guilty of PPP Fraud Scheme

A Houston rap artist and social media influencer and 11 others were found guilty of conspiring to commit wire fraud in a multi-jurisdictional PPP fraud scheme. Between 2021 and 2022, the rap artist conspired with a criminal network of 112 suspects from Texas, Louisiana, Mississippi, Alabama, Tennessee, Florida, South Carolina, and Illinois. The rap artist fraudulently received over \$2 million in PPP loans. Two of the suspects were federally incarcerated while participating in the scheme.

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 (EIDL), and military reservist EIDLs. 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.

The following summarizes our audit and investigative work this period.

Management Advisories, Inspections, Audit, and Evaluation



COVID-19 Economic Injury Disaster Loan Servicing Capability (Report 25-16)

We reviewed SBA's COVID-19 EIDL servicing processes to determine the agency's capability to service more than 2 million COVID-19 EIDLs. We found the COVID-19 EIDL Servicing Center demonstrated that it was capable of servicing over 2 million loans during the period of our review. The center appeared to be adequately staffed by its ability to complete over 23,500 servicing actions per month with an average processing time of 5.4 days per action. However, we identified opportunities for improvement related to formal documentation and issuance of performance goals and written COVID-19 EIDL servicing guidance.

We made two recommendations for SBA to ensure appropriate processes are followed and to effectively monitor center operations. SBA managers agreed with both recommendations and have taken actions to implement both.

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



Automated Controls Should Ensure Compliance With Criteria (Report 25-18)

We looked at SBA's incomplete reviews of COVID-19 EIDLs and grants disbursed to borrowers who disclosed that they established their business after January 31, 2020, the date the Coronavirus Aid, Relief, and Economic Security (CARES) Act required for a business to be in operation to qualify for pandemic assistance funds.

We found although SBA implemented automated controls to assess applicant eligibility, these controls were not fully utilized or properly aligned with CARES Act criteria. First, SBA did not directly ask applicants if they were in operation on January 31, 2020, as required by the Act. As a result of SBA not aligning its automated controls to program criteria, we identified 17,568 COVID-19 EIDLs and EIDL advances totaling over \$93 million that were given to applicants who disclosed that their businesses were established after January 31, 2020.

We recommended SBA review those loans and advances to determine eligibility and to seek recovery of funds from ineligible recipients. We also recommended the agency assess the automated controls within the agency's new lending platform, the Unified Lending Platform, to ensure they align with clearly defined disaster assistance criteria. SBA managers partially agreed with our first recommendation and agreed with our second recommendation.

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



Hurricane Helene – Initial Disaster Assistance and Recovery Response (Report 25-19)

We assessed SBA's initial response to Hurricane Helene, including staffing, loan application volume, and timeliness of disaster loan approvals. We found the agency promptly established a field presence, adequately staffed recovery centers, responded to applicant queries and processed loans in a timely manner. We also found SBA processed loan applications in 20 days on average but was unable to disburse many of those loans due to a 68-day funding lapse. As a result, the overall processing time was 69 days on average with the funding lapse and 64 days on average without it. In addition, we identified opportunities for SBA to optimize its outreach efforts so disaster survivors are aware of the assistance available to them.

We recommended SBA review current outreach strategies, immediately conduct outreach efforts in North Carolina and South Carolina, and perform a root cause analysis to determine the basis of insufficient outreach efforts in those two states. We also recommended the agency implement appropriate changes to ensure maximum awareness of available assistance to disaster survivors

that account for rural areas. The agency partially agreed with Recommendations 1 and 2 and disagreed with Recommendation 3.

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



Hurricane Milton – Initial Disaster Assistance and Recovery Response (Report 25-20)

We assessed SBA’s initial response to Hurricane Milton, including staffing, loan application volume, response time to applicant queries, and timeliness of disaster loan approvals. We found that in SBA’s initial disaster assistance response to Hurricane Milton, the agency promptly established a field presence, adequately staffed recovery centers, and responded timely to applicant queries. Although SBA processed loan applications in 17 days on average, the agency was unable to disburse all but one of those loans during a 68-day funding lapse. As a result, the overall processing time from application receipt to disbursement of funds was 73 days on average for applications submitted before or during the funding lapse and 19 days on average for applications submitted after supplemental appropriations were approved.

We recommended SBA review current outreach strategies, including staffing assignments, and make appropriate changes to optimize resources, thereby ensuring maximum awareness of available assistance to disaster survivors. We also recommended the agency implement processes to gather feedback from applicants that would assist in monitoring the effectiveness of its outreach methods. SBA management partially agreed with Recommendation 1 and agreed with Recommendation 2.

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



SBA’s Collection Efforts on Delinquent COVID-19 EIDLs (Report 25-23)

We reviewed SBA’s efforts to collect on delinquent COVID-19 EIDLs with collateral and personal guarantors, who are obligated to pay a debt when the primary borrower fails to do so. As of December 18, 2024, SBA charged off over \$47 billion in delinquent COVID-19 EIDLs. Charge-off is an administrative action taken by SBA after all reasonable efforts to achieve defaulted loan amounts have been exhausted, ending active collection. After charge off, the loan and remaining obligors must be referred to the U.S. Department of the Treasury unless further collection is barred. Less than 1 percent of the original loan amounts were recovered.

We found SBA could better implement strategies to collect on delinquent COVID-19 EIDLs as outlined in federal laws, standards, and agency policies. When borrowers defaulted on COVID-19 EIDLs and then did not respond to automated demand letters, telephone calls, and emails, SBA abandoned the collateral and then charged off the loans. By not maximizing collection efforts early in the delinquency process, SBA reduced the likelihood of recovering the \$47 billion.

We recommended SBA conduct a study to determine the minimum loan dollar thresholds for performing site visits and implement policies and procedures based on those results. A site visit to business locations should be made to inspect the current condition of collateral when warranted by prudent lending practices. A prudent lending practice is based on sound judgment to protect federal and lender interests. We recommended SBA verify delinquent obligors are reported to credit bureaus in a timely manner. We also recommended the agency establish a reasonable standard for referring delinquent COVID-19 EIDLs for litigation.

SBA management agreed with one recommendation and disagreed with two.

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



SBA's Processes to Forecast and Request Appropriation Dollars (Report 25-24)

We evaluated SBA's processes to forecast and request appropriation dollars for its disaster loans program account. Since 2009, major disasters have become more frequent and costly, the credit subsidy rate has gradually increased, and disaster assistance loan approvals have increased annually. Despite this, SBA has consistently forecasted that the disaster loan program would lend \$1.1 billion annually, a 10-year average amount based on normalized activity. In the 2024 storm season, several major hurricanes made landfall in the United States, leading to SBA's announcement on October 15, 2024 that funds in its disaster loans program account had been exhausted. As a result, SBA could not approve and disburse new loans until Congress appropriated additional funds over 2 months later.

We found SBA did not adequately forecast funding needs for the disaster loan program in its annual budget request nor ensure monthly reports submitted to Congress were clearly interpreted, submitted on time, and in compliance with all U.S. Code requirements. The agency also did not notify Congress, in writing, regarding the need for supplemental funding as soon as a shortfall was anticipated.

We recommended SBA ensure historical factors are considered when developing the budget request. We also recommended that monthly reports to Congress comply with U.S. Code and are enhanced to clearly explain the information in writing of the need for supplemental disaster loan

program funds as soon as the agency anticipates a shortfall. SBA management agreed with all four recommendations.

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

Notable Investigations

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



Former SBA Employee and Two Others Plead Guilty of Pandemic Fraud

A former SBA loan officer pled guilty to making false statements on SBA pandemic assistance loans she applied for and approved herself after they were initially declined by the agency. She began working for SBA in October 2020. In May 2021, she submitted a fraudulent EIDL application for \$170,000 that SBA declined. She later approved her own loan applications for more than \$550,000. She resigned from SBA after the agency discovered she had abused her position by approving loans she or her relatives had submitted. Two other women pled guilty to making false statements to SBA. One admitted to trying to obtain more than \$150,000 in fraudulent EIDLs and the other obtained more than \$1.25 million from the PPP.



Colorado Springs Funeral Home Operator Sentenced in Gruesome Fraud

A Colorado man was sentenced to 240 months imprisonment and ordered to pay \$1 million in restitution in a wire fraud scheme that involved the improper internment of bodies entrusted to his funeral home. From 2019 to 2023, the man ran a scheme to defraud customers by not cremating or burying about 190 bodies, concealing them in various states of decay and decomposition. The man also submitted EIDL applications for his business, falsely certifying they were not engaged in any illegal activity when the funeral home was engaged in an ongoing wire fraud scheme to defraud customers of their business.



Federal Law Enforcement Officer Arrested for Allegedly Obtaining EIDL Funds for Shell Companies

A U.S. Customs and Border Protection officer was arrested on a five-count federal grand jury indictment alleging he fraudulently obtained nearly \$150,000 in EIDL funds for two sham businesses. He applied for the EIDLs on behalf of his San Bernardino, California transportation companies, neither of which had substantial business or

employees. He misappropriated and misused the funds he received from SBA for his own personal benefit.



Suburban Chicago Police Officer Charged With Fraud

An Illinois city police officer was indicted in the Northern District of Illinois for wrongfully receiving EIDL and PPP funds. He allegedly inflated and falsified average monthly payrolls so he could qualify for three loans. He also allegedly concealed the receipt of the loans on his Chapter 7 bankruptcy petition.



California CEO Sentenced for Role in EIDL Kickback Scheme

A California man pled guilty to wire fraud and money laundering and was sentenced to 48 months imprisonment and 36 months supervised release. He was ordered to pay over \$7.5 million in restitution. From March 2020 until December 2021 he submitted over 120 fraudulent EIDL applications and received \$12 million. He advised his clients to create fictitious corporate entities and submitted the applications to SBA on their behalf in exchange for kickbacks. The applications contained falsified numbers of employees, gross revenues, and costs of goods sold.



Maui Man Repaid \$491,000 in SBA Loans Following Allegations of Misappropriation With Cryptocurrency

A Hawaii man voluntarily wire transferred \$491,000 back to SBA in full repayment of his EIDL from the Maui wildfires disaster in August 2023. It was alleged he misappropriated the loan proceeds into a cryptocurrency account for personal use.

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. The government seeks to award small disadvantaged businesses, Women-Owned Small Businesses, and service-disabled veteran-owned small businesses each at least 5 percent of the value of prime and subcontracting awards each year. The target for historically underutilized business zone (HUBZones) firms is at least 3 percent of the value of all prime and subcontract awards each year.

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 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 (SBDC), the SCORE mentoring network, Women's Business Centers, and Veterans Business Outreach Centers.

The following summarizes our audit and investigation work this period.

Audits



New Jersey Small Business Development Center's Compliance With Cooperative Agreement Requirements (Report 25-17)

We reviewed whether the New Jersey SBDC met financial, programmatic, and performance requirements according to its cooperative agreement with SBA. The agency is authorized to make grants to states, institutions of higher education, and Women's Business Centers to establish an SBDC. An SBDC lead center manages a network of service centers that provide free business counseling and low-cost training to small businesses owners and entrepreneurs. Since 1978, Rutgers University has been a grant recipient and hosts the

New Jersey SBDC to administer its program with a cost-share budget of \$7.9 million. We selected the New Jersey SBDC for inspection based on risk factors related to the materiality of the federal grant award, prior audit findings, previous regional coverage, and OIG Hotline complaints.

We found the SBDC could improve how it meets financial requirements by ensuring costs are allowable, reporting budgetary changes that affect match requirements, and accurately reporting program income. We found the center did not maintain counselors certified to assist small businesses with exporting. There also were issues with publicizing operating hours, informing SBDC personnel of whistleblower protections, and improving coordination with SBA so the center's performance goal progress could be accurately tracked and monitored.

We made 10 recommendations for SBA to enforce financial compliance, strengthen program integrity, and address risks in program performance. Management agreed or partially agreed with all 10 recommendations.

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



SBA's Oversight of Shuttered Venue Operators Grant Recipients (Report 25-21)

We reviewed whether SBA implemented processes to effectively ensure misused or unused funds in the Shuttered Venue Operators Grant (SVOG) program were returned to the U.S. Department of Treasury. We also reviewed if the agency monitored recipients use of grant funds and monitored program performance. In response to the economic crisis during the pandemic, Congress authorized SBA to award grants to eligible businesses in the live arts and entertainment industry. As of July 2022, SBA disbursed \$14.6 billion to 13,011 awardees to include supplemental awards to 9,800 of the original awardees.

We found SBA identified \$544 million in potential improper payments that need to be recovered but did not demand return of funds and did not refer any recipients to Treasury. We also found \$4.8 billion in grants were not closed out in a timely manner. Without prompt action to close out these awards, SBA has no assurance that taxpayer funds were used for the intended purpose. SBA reported that the SVOG program met all three performance goals; however, we found that wasn't the case for one. The number of SVOG recipients that continued or reopened operation was not measured with representative data. As a result, government leaders cannot assess the true effects the program had on small live entertainment and arts businesses.

We made six recommendations for SBA to improve recovery of SVOG funds where needed, expedite the award closeout process, better monitor the use of SVOG funds, and report on the

limitations of data used for SVOG performance results. SBA managers agreed with all recommendations and started to issue demand letters to SVOG recipients that were found to be ineligible, received an incorrect award amount, or used funds for unallowable expenses.

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

Investigation



Construction Company Owner Sentenced for Fraudulently Obtaining Federal Contracts

A Wisconsin woman was sentenced to 4 months incarceration for making false statements to SBA, falsely certifying that her company met the SBA requirements for the HUBZone program. She was awarded seven contracts that were set aside for small businesses in historically underutilized business zones. She also used her father's construction company to perform work on behalf of her construction company.

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.

Management Advisories, Audit, and Evaluations



Undetected Vulnerabilities From Personally Owned Devices (Report 25-11)

We identified in our fiscal years 2023 and 2024 Federal Information Security Modernization Act (FISMA) assessments that SBA did not have multifactor authentication enabled for users to access the agency's secure network.

Multifactor authentication is a high security control that requires a username, password, and an identity card, unique security code, or biometrics to access a system. Relying on usernames and passwords alone greatly increases the risk of SBA data being accessed and exploited by cyber criminals and other bad actors. We found possible security threats from employees' personally owned devices accessing the agency's information technology network from national and international locations with only a username and password. We also determined personally owned devices could access the SBA network from foreign locations, which is prohibited by SBA IT policy. SBA's information systems are more vulnerable to unauthorized access that could exploit sensitive agency information.

We recommended the agency ensure devices use multifactor authentication, that they have updated anti-malware software, and appropriate security controls and encryption. We also recommended restricting access to SBA systems from international IP addresses and real-time continuous monitoring of mobile and personal computer data. SBA management agreed and all the recommendations have been closed or resolved.

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



Fiscal Year 2024 Federal Information Security Modernization Act (Report 25-13)

We found SBA generally responded to previously identified vulnerabilities and made progress in the security training domain area in its fiscal year (FY) 2024 FISMA evaluation and assessment of SBA's information security program. The agency met the baseline in the area of incident response but fell below the baseline for an effective security program in several areas. We rated SBA's overall information security program as "not effective."

This fiscal year there were seven new recommendations for improvement. There were 11 open recommendations from 3 prior evaluations. Repeat recommendations from prior years were not included in this report because they have not yet been implemented. The agency successfully closed four recommendations from fiscal year 2023. SBA managers agreed with six recommendations and partially agreed with one. Their corrective actions resolved all the recommendations.

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



Independent Auditors' Report on SBA's Fiscal Year 2024 Compliance With the Payment Integrity Information Act of 2019 (Report 25-15)

Our auditors found SBA was not compliant with reporting requirements under the Payment Integrity Information Act of 2019 and Office of Management and Budget (OMB) guidance. Specifically, SBA is not compliant with the Act because it did not publish improper and unknown payment estimates within the FY 2024 *Agency Financial Report* and accompanying materials for the Shuttered Venue Operators Grant and the payments for covered loans in the 7(a) and 504 loan guaranty programs under the Debt Relief Program (Section 1112 Payments).

The agency also did not design and implement adequate review procedures to produce reliable sample results that were used to develop and publish accurate improper and unknown payment estimates for the 7(a) loan guaranty purchases, disaster assistance loans, Paycheck Protection Program (PPP) loan forgiveness, and PPP loan guaranty purchases programs. It did not publish effective corrective action plans for the PPP loan forgiveness and PPP loan guaranty purchases and did not publish corrective action plans for the Section 1112 payment programs and activities. The agency should improve payment integrity for the 7(a) loan guaranty approvals and 504 Certified Development Company loan approvals programs and activities as demonstrated by the increase in improper payment estimates between FYs 2023 and 2024.

SBA concurred with the recommendations and indicated that it is committed to reducing the dollar amount of improper payments and ensuring program integrity.

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



SBA's Controls Over Cash Contributions and Gifts, Fiscal Year 2024 (Report 25-22)

We found SBA generally complied with established guidance over the solicitation, acceptance, holding, and use of cash contributions and gifts totaling \$520,000 during FY 2024 from National Small Business Week cosponsors. However, we found SBA should improve its agency vetting form to show that each potential cosponsor was clear of conflicts of interest concerns before agency officials signed cosponsorship agreements.

As a result of our review, the SBA Office of Strategic Alliances took immediate actions to update the form used to vet conflicts of interest for cosponsors showing the Office of General Counsel's review and clearance of potential conflicts of interest. Therefore, we did not make any recommendations in this report.

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



SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses (Report 25-25)

Over the last 5 years, SBA has been unable to pass a financial audit, receiving disclaimers of opinion year after year. The independent public auditor has been unable to offer an opinion on the financial state of SBA because it has not received sufficient evidence to support a number of balances. We reviewed SBA's history of disclaimers and material weaknesses from fiscal years 2020 to 2024, open recommendations, and SBA's new strategy for addressing material weaknesses and obtaining a clean audit opinion.

SBA's accounting deficiencies were primarily related to administering an unprecedented amount of disaster assistance aid and guaranteed loan funds to help eligible small business owners and entrepreneurs adversely affected by the pandemic. Over the course of 18 months, the agency delivered 22.1 million pandemic assistance loans and grants, totaling \$1.2 trillion. To address the systemic financial reporting deficiencies, SBA launched its Financial Statement Audit Remediation Strategy in January 2025 to resolve the seven material weaknesses and 56 open audit recommendations.

We made recommendations to enhance implementation of SBA's financial statements remediation strategy. We recommended the Administrator appoint a senior executive to lead the effort and emphasize audit remediation priorities through consistent agencywide communication. We also recommended that the remediation strategy be incorporated into SBA's next strategic plan and individual performance plans to ensure accountability. SBA management agreed with all recommendations.

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

Other Significant OIG Activities

Background Investigations

During this reporting period, OIG initiated 16 background investigations, issued 4 security clearances for OIG employees and contractors, and adjudicated 21 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 33 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 105 presentations for internal and external stakeholders to raise awareness of fraud, waste, and abuse related to SBA programs. More than 1,527 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 76 proposed revisions of these program directives and submitted comments designed to mitigate risk or improve 10 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

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 10,300 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 321,000 complaints, which averages more than 58,500 per year. By contrast, the OIG Hotline received 742 complaints in 2019.

Hotline	
Current Period	
April 1, 2025 to September 30, 2025	
Paycheck Protection Program	5,364
Economic Injury Disaster Loan	609
Other*	4,391
Total	10,364
*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 2026–2030 has three 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 **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 and financial reporting.

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.

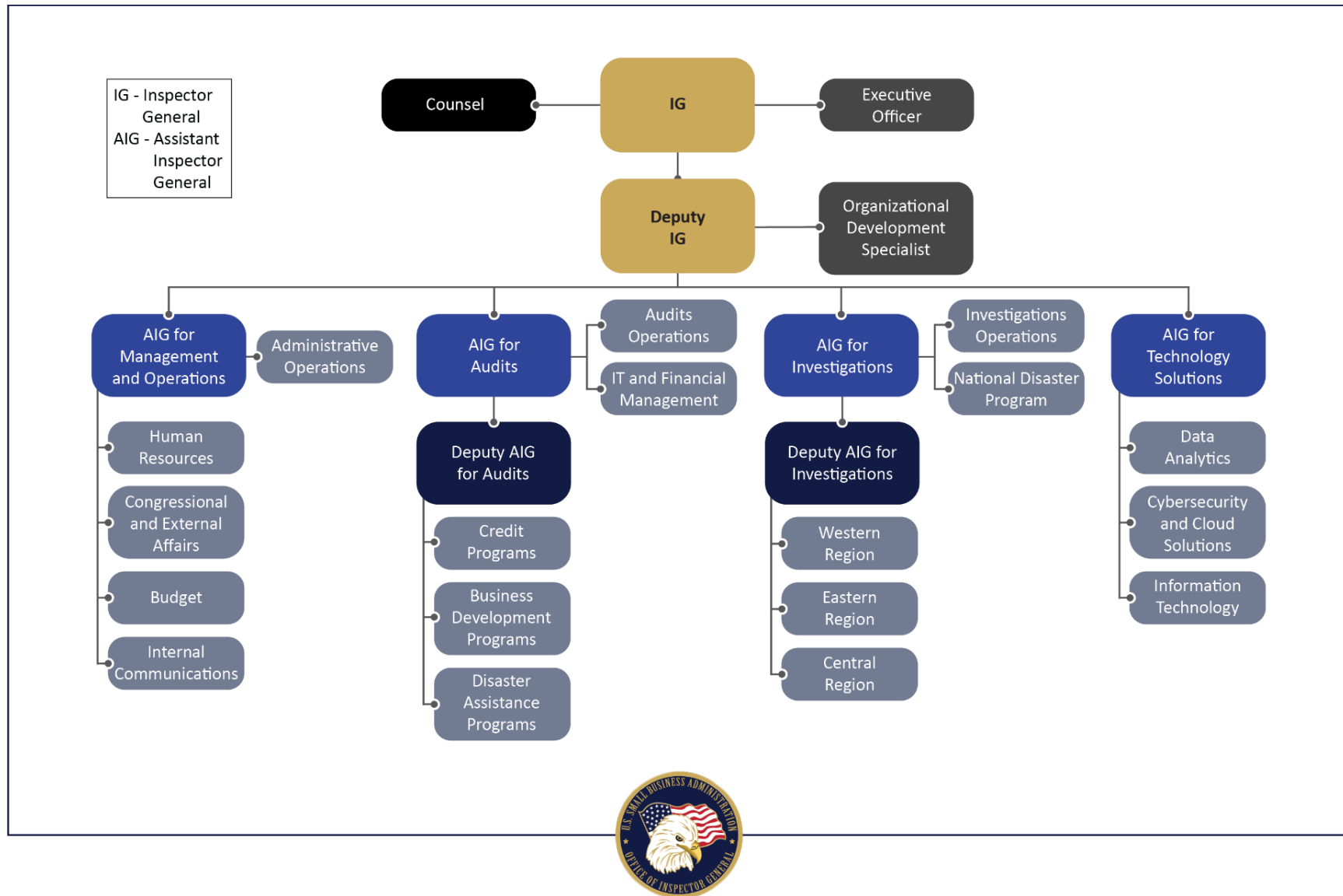
The National Disaster Program identifies fraud trends and develops investigative leads associated with the SBA pandemic assistance and disaster assistance loan programs working in coordination with the OIG Investigations, Audits, and Technology Solutions divisions, SBA, Department of Justice and external 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.

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.

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	Total
Potential Investigative Recoveries and Fines	\$178,952,402
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies/civil settlements/qui tam)	\$53,337,995
Asset Forfeitures Attributed to OIG Investigations	\$8,971,816
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$491,000
Investigations Subtotal	\$241,753,213
Dollar Accomplishments as a Result of Audit Activities	Total
Disallowed Costs Agreed to by Management	\$1,845,761,284
Recommendations that Funds Be Put to Better Use Agreed to by Management	—
Audit Subtotal	\$1,845,761,284
Total OIG Dollar Accomplishments	\$2,087,514,497

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

Reports Issued	15
Recommendations Issued	52
Dollar Value of Costs Questioned	\$1,845,761,284
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations With Management Decisions	52
Recommendations Without a Management Decision	0
Collections as a Result of Questioned Costs	0

Indictments, Convictions, and Case Actions

Indictments From OIG Cases	128
Convictions From OIG Cases	91
Cases Opened	78

Cases Closed	203
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SBA Personnel Actions Taken as a Result of Investigation

Dismissals	0
Resignations and Retirements	0
Suspensions	0
Reprimands	0

Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	76
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	10

Appendix B: Full-Year Statistical Highlights, FY 2025

Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	Total
Potential Investigative Recoveries and Fines	\$275,085,340
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies/civil settlements/quiet tam)	\$242,226,268
Asset Forfeitures Attributed to OIG Investigations	\$14,403,310
Loans and Contracts Not Approved or Canceled as a Result of Investigations	\$1,627,000
Investigations Subtotal	\$533,341,918
Dollar Accomplishments as a Result of Audit Activities	Total
Disallowed Costs Agreed to by Management	\$3,228,616,762
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$3,228,616,762
Total OIG Dollar Accomplishments	\$3,761,958,680

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

Reports Issued	25
Recommendations Issued	123
Dollar Value of Costs Questioned	\$3,228,616,764
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations With Management Decisions	123
Recommendations Without Management Decisions	0
Collections as a Result of Questioned Costs	0

Indictments, Convictions, and Case Actions

Indictments From OIG Cases	234
Convictions From OIG Cases	221
Cases Opened	176
Cases Closed	303

SBA Personnel Actions Taken as a Result of Investigations

Dismissals	0
Resignations and Retirements	0
Suspensions	0
Reprimands	0

Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	138
Comment Memoranda Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	13

Appendix C: Reports Issued

Reports Issued

Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Undetected Vulnerabilities From Personally Owned Devices	25-11	4/22/2025	—	—
Fiscal Year 2024 Federal Information Security Modernization Act	25-13	4/29/2025	—	—
Independent Auditors' Report on SBA's Fiscal Year 2024 Compliance with the Payment Integrity Information Act of 2019	25-15	5/15/2025	—	—
SBA's Controls Over Cash Contributions and Gifts	25-22	8/5/2025	—	—
SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses	25-25	6/29/2025	—	—
Program Subtotal	5	—	—	—

Contracting and Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
New Jersey Small Business Development Center's Compliance With Cooperative Agreement Requirements	25-17	6/3/2025	\$668,252	—
SBA's Oversight of Shuttered Venue Operators Grant Recipients	25-21	7/22/2025	\$1,409,106,858	—
Program Subtotal	2	—	\$1,409,775,110	—

Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
SBA's Actions to Address Forgiven PPP Loans Subsequently Flagged as Potentially Ineligible	25-12	4/23/2025	—	—
Eligibility of PPP Loans Exceeding Maximum Size Standards	25-14	5/1/2025	\$342,722,938	—
Program Subtotal	2	—	\$342,722,938	—

Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
COVID-19 Economic Injury Disaster Loan Servicing Capability	25-16	5/29/2025	—	—
Automated Controls Should Ensure Compliance With Criteria	25-18	6/4/2025	\$93,263,236	—
Hurricane Helene Initial Disaster Assistance and Recovery Response	25-19	6/17/2025	—	—
Hurricane Milton – Initial Disaster Assistance and Recovery Response	25-20	7/2/2025	—	—
SBA's Collection Efforts on Delinquent COVID-19 EIDLs	25-23	8/12/2025	—	—
SBA's Processes to Forecast and Request Appropriation Dollars for its Disaster Loans Program Account	25-24	9/25/2025	—	—
Program Subtotal	6	—	\$93,263,236	—

Appendix D: Reports, Recommendations, and Management Decisions

Reports From Prior Periods With Overdue Management Decisions

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

Reports From Prior Periods With Open Recommendations as of September 30, 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	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	\$142,627,740
22-11	FY 2021 Federal Information Security Modernization Act 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	5	\$3,528,709,751
24-02	SBA's Internal Controls to Prevent Shuttered Venue Operators Grants to Ineligible Applicants	10/25/2023	2	\$22,878,968
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	6	\$1,428,399,071
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	\$6,465,832,231
24-10	SBA's IT Investment Governance Framework	3/29/2024	1	—
24-16	SBA's Fiscal Year 2023 Compliance with the Payment Integrity Information Act of 2019	5/15/2024	6	—
24-17	7(a) Loan Approval for Borrowers with Unresolved COVID-19 Pandemic Loan Compliance Issues	5/21/2024	1	—
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	2	—
24-25	SBA's Oversight of the Community Navigator Pilot Program Performance Navigator Pilot Program Performance	9/24/2024	3	—

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25-03	Approved Disaster Assistance Loans Matching COVID-19 EIDLs and PPP Loans With Fraud Hold Codes	11/5/2024	1	—
25-04	SBA's Oversight of Non-Bank Lenders and Third-Party Service Providers Associated With PPP Loans	11/13/2024	6	—
25-05	Oversight of FY 2024 Financial Statements Audit	11/15/2024	56	—
25-06	COVID-19: Data Sharing Project Finds Billions Paid to Same Likely Fraudsters Under Both the Unemployment Insurance and Economic Injury Disaster Loan Programs	12/5/2024	2	—
25-07	SBA's Use of Hold Codes for Potentially Fraudulent PPP Loans Referred by Lenders	1/16/2025	5	—
Total	—	—	139	\$17,062,605,032

Significant Recommendations From Prior Reporting Periods Without Final Action as of September 30, 2025

Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
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	7/15/2025
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	09/30/2025
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

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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	09/30/2025
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
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	07/31/2025

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	09/30/2025

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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
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	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	10/15/2025
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	10/15/2025
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	09/30/2025
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	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	09/30/2025
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	09/30/2025
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
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	1	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.	—	—

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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
24-16	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	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	9	Design and document adequate review procedures to ensure that the results of the sample meet PIIA objectives.	6/12/2024	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
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
24-20	7/9/2024	1	Review charged-off PPP loans to ensure all eligible loans are reported to commercial credit reporting agencies, as required.	07/12/2024	08/29/2025

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	08/29/2025
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	08/29/2025
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	08/29/2025
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	12/30/2025
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	12/01/2025
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.	—	—
25-03	11/5/2024	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.	10/29/2024	10/24/2025

25-04	11/13/2024	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.	4/8/2025	6/30/2025
25-04	11/13/2024	2	Enhance existing risk-based oversight plans to ensure adequate oversight of high-risk non-bank lenders, including fintechs.	4/8/2025	6/30/2025
25-04	11/13/2024	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.	4/8/2025	4/30/2025
25-04	11/13/2024	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.	4/8/2025	4/30/2025
25-04	11/13/2024	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.	4/8/2025	6/30/2025
25-04	11/13/2024	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	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.	12/4/2024	9/25/2026

25-06	12/5/2024	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.	12/4/2024	9/24/2027
25-07	1/16/2025	1	Immediately flag with a hold code 50 the 45,761 lender-referred loans.	—	—
25-07	1/16/2025	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	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	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	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.	1/22/2025	8/31/2025

Significant Recommendations From This Reporting Period

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-11	4/22/2025	Undetected Vulnerabilities From Personally Owned Devices	1	Ensure personally owned devices use multifactor authentication as required by SOP 90 47 6.
25-11	4/22/2025	Undetected Vulnerabilities From Personally Owned Devices	2	Ensure all personal devices connecting remotely to SBA's network have updated anti-malware software running with the latest signature files, a firewall installed and running, and all security patches installed as required by SOP 90 47 6.
25-11	4/22/2025	Undetected Vulnerabilities From Personally Owned Devices	3	Ensure that appropriate security, including encryption, application controls, password usage, remote locking, remote wiping, and operating system protection can be enforced for mobile devices as required by SOP 90 47 6.
25-11	4/22/2025	Undetected Vulnerabilities From Personally Owned Devices	4	Restrict users from connecting to SBA systems from international IP addresses as required by SOP 90 47 6.
25-11	4/22/2025	Undetected Vulnerabilities From Personally Owned Devices	5	Implement or enhance current real-time continuous monitoring of mobile phone and personal computer data with rules-based automated response and analysis capabilities as required by OMB M-22-01.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-12	4/23/2025	SBA's Actions to Address Forgiven PPP Loans Subsequently Flagged as Potentially Ineligible	1	Complete reviews for the 37,938 loans, totaling approximately \$4.6 billion, which includes the 26,234 loans, totaling approximately \$454 million valued at \$25,000 or less and subsequently flagged with hold code 70 to ensure borrowers met eligibility requirements and seek recovery of all ineligible loans.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	1	Complete the implementation of a software tool to help ensure a complete and accurate inventory of software and hardware assets that includes the detailed information necessary for tracking, reporting, and approval.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	2	Perform assessments and analysis of contractor systems to ascertain compliance with SBA's security policies and federal requirements. This includes development of procedures to obtain sufficient assurance through inspection of vulnerability assessment results, audits, test results, or other forms of evaluation to ensure the security and supply chain controls of systems or services provided is captured.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	3	Establish policies and procedures for detecting counterfeit components and devices, including what risks to consider and what controls may be appropriate to mitigate those risks in SBA's supply chain. This includes the design, development, and implementation of counterfeit training requirements and configuration control over system components awaiting service or repair and serviced or repaired components awaiting return to service.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	4	Properly update and remediate configuration management vulnerabilities and weaknesses as specified in SBA's procedures.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	5	Update incident response documentation procedures, accounting for all necessary information to be included in the SBA cyber incident form.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	6	Update or establish procedures to ensure that all employees and contractors receive security awareness training in a timely manner.
25-13	4/29/2025	Fiscal Year 2024 Federal Information Security Modernization Act	7	Develop and implement a process to verify remedial action has occurred if an individual fails to complete the required training within the designated timeframe.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-14	5/1/2025	Eligibility of PPP Loans Exceeding Maximum Size Standards	1	Obtain the documentation necessary to fully assess the borrower's size standard eligibility for the 29 loans, totaling \$196.5 million, that were cleared solely by memoranda unrelated to size standard eligibility requirements to ensure only eligible borrowers received funds and, if not, seek repayment of forgiveness amounts on all loans deemed ineligible.
25-14	5/1/2025	Eligibility of PPP Loans Exceeding Maximum Size Standards	2	Obtain the documentation necessary to fully assess whether size standard eligibility requirements were met for the 19 loans, totaling \$146.2 million and, if not, seek repayment of forgiveness amounts for all loans deemed ineligible.
25-16	5/29/2025	COVID-19 Economic Injury Disaster Loan Servicing Capability	1	Finalize and approve procedures and standards included in the Draft COVID EIDL Servicing Manual.
25-16	5/29/2025	COVID-19 Economic Injury Disaster Loan Servicing Capability	2	Publish and communicate written overall CESC performance goals for effective monitoring of its operations in coordination with SBA's Office of Financial Program Operations.
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	1	Reinforce the New Jersey Small Business Development Center's adherence to requirements that costs spent on consultants are reasonable and supportable as prescribed in 2 CFR § 200.459.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	4	Instruct the New Jersey SBDC to submit an updated budget that reflects the \$420,700 impact of the service center closure to evaluate whether funds are allowable in accordance with 2 CFR 200.308(c)(5)(7).
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	6	Instruct the New Jersey Small Business Development Center to reconcile \$75,247 of program income across the network to ensure generated income and expenses are accounted for and reported accurately in accordance with 13 CFR § 130.480.
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	7	Enforce the requirement for the New Jersey Small Business Development Center to timely adhere to export certification requirements and regularly report on its compliance status to SBA in accordance with Notice of Funding Section 5.1.4.4.
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	8	Ensure the New Jersey Small Business Development Center is maintaining sufficient accessibility to its facilities and appropriate staff levels and notifying clients of service centers' hours of operation in accordance with 15 USC 648(c)(2).

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	9	Ensure the New Jersey Small Business Development Center implements a process to ensure all personnel funded by federal grant funds are notified of their whistleblower protection rights in accordance with 41 U.S.C 4712.
25-17	6/3/2025	New Jersey SBDC's Compliance With Cooperative Agreement Requirements	10	Ensure the New Jersey Small Business Development Center relates financial data and program accomplishments toward meeting the performance goals for the entire performance period as 2 CFR 200.329(b) requires.
25-18	6/4/2025	Automated Controls Should Ensure Compliance With Criteria	1	Review the 17,568 loans and advances identified with business establishment dates after January 31, 2020 to determine eligibility and seek recovery of funds from ineligible recipients.
25-18	6/4/2025	Automated Controls Should Ensure Compliance With Criteria	2	Assess the automated controls within the agency's new lending platform, the Unified Lending Platform, to ensure they align with clearly defined disaster assistance criteria.
25-19	6/17/2025	Hurricane Helene - Initial Disaster Assistance and Recovery Response	1	Review outreach staffing assignments and make appropriate changes to ensure there is adequate coverage during future disaster response efforts.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-19	6/17/2025	Hurricane Helene - Initial Disaster Assistance and Recovery Response	2	Immediately conduct outreach efforts in those counties in North Carolina and South Carolina where the deadline to submit loan applications has not elapsed.
25-19	6/17/2025	Hurricane Helene - Initial Disaster Assistance and Recovery Response	3	Perform a root cause analysis to determine the basis of insufficient outreach efforts in North Carolina and South Carolina and implement appropriate changes to ensure maximum awareness of available assistance to disaster survivors that accounts for rural areas.
25-20	7/2/2025	Hurricane Milton – Initial Disaster Assistance and Recovery Response	1	Review current outreach strategies, including staffing assignments, and make appropriate changes to optimize resources, ensuring maximum awareness of available assistance to disaster survivors.
25-20	7/2/2025	Hurricane Milton – Initial Disaster Assistance and Recovery Response	2	Implement processes to gather feedback from applicants that would assist the agency in monitoring the effectiveness of its outreach methods.
25-21	7/22/2025	SBA’s Oversight of Shuttered Venue Operators Grant Recipients	1	Establish an appeals process and promptly finalize recovery procedures to include updating the demand letter to provide sufficient recovery and appeals process guidance to grant recipients.
25-21	7/22/2025	SBA’s Oversight of Shuttered Venue Operators Grant Recipients	2	Take immediate action to review the 380 recipients who program officials identified as having a potential improper payment and recover funds.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-21	7/22/2025	SBA's Oversight of Shuttered Venue Operators Grant Recipients	3	Ensure program officials enforce the established tier-based process timeline for the 438 recipients who have not responded to SBA's information requests.
25-21	7/22/2025	SBA's Oversight of Shuttered Venue Operators Grant Recipients	4	Follow-up with 347 recipients who did not submit their required documents to initiate closeout and take action to recover funds, where necessary.
25-21	7/22/2025	SBA's Oversight of Shuttered Venue Operators Grant Recipients	5	Establish and implement timeframes for each closeout activity.
25-21	7/22/2025	SBA's Oversight of Shuttered Venue Operators Grant Recipients	6	Report on the limitations of survey data used to calculate the percentage of recipients that continued or reopened operations in SBA's next update of the Congressional Budget Justification and Annual Performance Report.
25-23	8/12/2025	SBA's Collection Efforts on Delinquent COVID-19 EIDLs	1	Conduct a study to establish minimum loan thresholds for performing site visits, implement policies and procedures based on the results of that study, and perform site visits to help facilitate appropriate liquidation of collateral on defaulted COVID-19 EIDLs in an effort to maximize collections.
25-23	8/12/2025	SBA's Collection Efforts on Delinquent COVID-19 EIDLs	2	Verify all delinquent COVID-19 EIDL obligors are reported to credit bureaus in a timely manner.

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-23	8/12/2025	SBA's Collection Efforts on Delinquent COVID-19 EIDLs	3	Confer with the DOJ to establish a reasonable standard for referral of delinquent COVID-19 EIDLs to the DOJ for litigation.
25-24	9/25/2025	SBA's Processes to Forecast and Request Appropriation Dollars for Its Disaster Loans Program Account	1	Ensure that historical factors such as changes in the subsidy rate, frequency of major disasters, and total dollar amount of loan approvals from prior years are taken into consideration when developing the annual budget request for the disaster loan program.
25-24	9/25/2025	SBA's Processes to Forecast and Request Appropriation Dollars for Its Disaster Loans Program Account	2	Ensure monthly disaster reports comply with all the requirements of 15 U.S.C. § 636k(a).
25-24	9/25/2025	SBA's Processes to Forecast and Request Appropriation Dollars for Its Disaster Loans Program Account	3	Enhance monthly disaster reports to include 1) information that indicates whether sufficient funds are available or if supplemental funds are needed and 2) a narrative with each data table that explains how to read and interpret the monthly disaster reports.
25-24	9/25/2025	SBA's Processes to Forecast and Request Appropriation Dollars for Its Disaster Loans Program Account	4	Ensure written notification of the need for supplemental funds for the disaster loan program is submitted to the appropriate congressional committees as soon as SBA anticipates a funding shortfall, in accordance with 15 U.S.C. § 636k(d).

Report Number	Date Issued	Title	Recommendation Number	Recommendation
25-25	9/29/2025	SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses	1	Designate a senior executive to lead the effort to receive a clean audit opinion by granting agencywide authority to issue directives, monitor compliance, and enforce remediation priorities across all program offices.
25-25	9/29/2025	SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses	2	Leverage best practices to implement a plan for using consistent, frequent communication to ensure all agency personnel are made aware of the agencywide commitment to obtain an unmodified audit opinion.
25-25	9/29/2025	SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses	3	Integrate the agencywide goal of remediation the financial statements into SBA's strategic plan and set specific, measurable targets in the agency's annual performance plan.
25-25	9/29/2025	SBA's Controls to Address Financial Statements Audit Disclaimers and Material Weaknesses	4	Implement a process to conduct data-driven reviews regularly using defined audit remediation goals to align program leaders' personal performance plans with outcome-based remediation goals to hold leaders accountable for improving program data quality, in accordance with OMB Circular A-11, Part 6.

Significant Management Decisions With Which OIG Disagrees

There were no significant management decisions with which OIG disagrees.

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 Restaurant Revitalization Fund, Shuttered Venue Operators Grant, COVID-19 EIDL, and PPP programs were in accordance with U.S. generally accepted accounting principles.

In FY 2025, management finalized an accounting treatments position paper for direct loans and loan guarantees to move towards compliance with the Federal Financial Management Improvement Act of 1996. Our independent auditors are considering management's position paper as part of the FY 2025 financial statement audit.

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

OIG's independent auditors 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.

In March 2025, SBA separated all members of its internal controls division team, which was responsible for assessing internal controls throughout the agency. Our independent auditors will assess this as part of the FY 2025 financial statement audit. 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 E: Investigations Reporting Statistics

Investigative Reports Issued

Report Type	Number of Reports
Report of Investigation	224
Preliminary Case Closing Reports of Investigation	1
Total	225

Investigations Referred for Prosecution

Referred to	Number of Investigations
Department of Justice	52
State Attorney	0
Local Attorney	0
Total	52

Pandemic-Related Investigative Statistics

SBA OIG	Investigations	Indict/Complaint	Arrests	Convictions
PPP/EIDL/SV/RFF*	65	125	97	89
Investment Fraud	11	3	1	2
Total	76	128	98	91

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

Whistleblower Retaliation Cases

There were two OIG investigations involving whistleblower retaliation during the reporting period.

Investigations Involving a Senior Government Employee in Which Misconduct Was Substantiated

There were no OIG investigations where misconduct was substantiated that involved a senior government employee during this reporting period.

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

There were no OIG investigations that are closed and not disclosed to the public involving a senior government employee during this reporting period.

Appendix F: Legal Actions Summary

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
NY	BL	FBI	Subject submitted over 100 fraudulent PPP loan applications, containing false representations totaling over \$13 million.	Subject was sentenced to 18 months incarceration and 3 years of supervised release and ordered to pay \$550,000 in restitution.
CA	DL BL	FBI, IRS CI	Subject defrauded SBA and lenders for over \$12 million through the EIDL program. The subject misused proceeds for gambling, vacations, and illegal narcotics.	Subject was sentenced to 48 months incarceration, 3 years of supervised release, and ordered to pay \$535,041.
VA	DL BL	USSS, IRS CI, FDIC OIG, USPIS	Subject submitted false and fraudulent PPP applications in a \$6.1 million investment fraud scheme and fraudulently obtained over \$2.6 million in COVID relief funds.	Subject was sentenced to 45 months incarceration, 3 years supervised release, and ordered to pay \$5.3 million.
TX	DL BL	FHFA OIG	Subject submitted false and fraudulent PPP applications and received over \$530,000.	Subject was sentenced to 2 years of probation and ordered to pay \$410,875.
WI	GC	GSA OIG	As part of the scheme, subject solicited 15 HUBZone set-aside contracts on behalf of a construction company and was awarded seven HUBZone set-aside contracts based on fraudulent representation made to SBA. When performing the HUBZone contracts, subject did not comply with the HUBZone subcontracting rules requiring the company to perform at least 15% of the cost of HUBZone contract performance.	Subject was sentenced to 4 months incarceration, 1 years of supervised release, and ordered to pay \$23,652.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
GA	DL BL	DHS HSI	Subject was a former SBA loan officer who used their position to improperly push through EIDLs over \$1 million.	Subject was sentenced to 5 years of probation and ordered to pay \$152,800.
IL	DL BL	FBI	Subject submitted false and fraudulent PPP and EIDL applications totaling over \$2.7 million and fraudulently obtained over \$1.5 million.	Subject was sentenced to 18 months incarceration, 3 years of supervised release, and ordered to pay \$19.9 million.
NY	DL BL	FBI, FDIC OIG FRB OIG, IRS CI	Subjects submitted multiple fraudulent PPP and EIDL applications. Subjects successfully obtained over \$200,000 in fraudulent funds.	Subject 1 was sentenced to 20 months incarceration and 2 years supervised release. Subject 2 was sentenced to 20 months incarceration and 2 years supervised release. Subject 3 was sentenced to 48 months incarceration and 3 years supervised release. Subjects were ordered to pay over \$200,000.
IA	DL BL	FBI, FDIC OIG, DHS HSI	Subjects made false statements in the attempt to obtain over 320 EIDLs and PPP loans totaling over \$7.6 million.	Subject 1 was sentenced to 11 months incarceration and 2 years supervised release. Subject 2 was sentenced to 5 months incarceration and 1 years supervised release. Subjects were ordered to pay \$250,000.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
TX	DL BL	FBI, IRS CI	Subjects submitted multiple EIDL and PPP applications seeking over \$500,000.	Subject 1 was sentenced to 21 months incarceration and 3 years supervised release. Subject 2 was sentenced to 5 years probation. Subjects were ordered to pay over \$650,000.
TX	DL BL	FBI, DOI OIG	Subjects devised a scheme and received over \$1.3 million in PPP loans and EIDLs.	Subject 1 was sentenced to 293 months incarceration and 3 years supervised release. Subject 2 was sentenced to 5 years probation. Subject 3 was sentenced to 3 years probation. Subject 4 was sentenced to 3 years probation. Subject 5 was sentenced to 3 years probation. Subject 6 was sentenced to 3 years probation. Subject 7 was sentenced to 3 years probation. Subjects were ordered to pay over \$1 million.
TX	BL DL	FBI, IRS CI, SIGPR, FRB OIG	Subjects defrauded various SBA programs over \$66 million in a multi-level PPP fraud scheme involving networks of customers and recruiters who conspired to falsify and submit PPP loan applications and supporting documentation to secure taxpayer funds through a fintech and SBA lender.	Subject 1 was sentenced to 41 months incarceration and 3 years supervised release. Subject 2 was sentenced to 3 years probation. Subjects were ordered to pay over \$66 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
IL	BL DL	FBI, USPIS, DOL OIG	Subjects who were current and former USPS employees submitted fraudulent PPP loan applications and EIDL advance applications totaling over \$150,000.	Subject 1 was sentenced to 4 years on supervised release. Subject 2 was sentenced to 3 years on supervised release. Subject 3 was sentenced to 2 years on supervised release. Subject 4 was sentenced to 2 years on supervised release. Subject 5 was sentenced to 2 years on supervised release. Subjects were ordered to pay over \$145,000.
MS	DL	FBI, TIGTA	Subjects submitted fraudulent EIDL applications. One was a former SBA employee who accessed agency databases to fabricate and upload fraudulent IRS and SBA forms to process EIDLs, totaling over \$3.3 million.	Subject 1 was sentenced to 1 month of incarceration and 5 years supervised release. Subject 2 was sentenced to 5 years on supervised release. Subject 3 was sentenced to 5 years on supervised release. Subject 4 was sentenced to 5 years on supervised release. Subject 5 was sentenced to 5 years on supervised release. Subjects were ordered to pay over \$1 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
NJ	DL	FBI, IRS CI	Subjects submitted multiple fraudulent EIDL applications. Subjects successfully obtained over \$790,000 in fraudulent funds.	Subject 1 was sentenced to 12 months incarceration and 3 years supervised release. Subject 2 was sentenced to 12 months incarceration and 3 years supervised release. Subjects were ordered to pay \$790,000.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
TX	BL	DHS HSI	Subjects lead a criminal network of 112 coconspirators submitting fraudulent PPP applications and receiving over \$2.4 million.	Subject 1 was sentenced to 18 months of incarceration and 5 years supervised release. Subject 2 was sentenced to 25 months of incarceration and 5 years supervised release. Subject 3 was sentenced to 8 months of incarceration and 3 years supervised release. Subject 4 was sentenced to 8 months of incarceration and 3 years supervised release. Subject 5 was sentenced to 8 months of incarceration and 3 years supervised release. Subject 6 was sentenced to 18 months of incarceration and 5 years supervised release. Subjects 7, 8, and 9 were each sentenced to 5 years supervised release. Subjects were ordered to pay over \$1.3 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
IA	DL BL	FBI, FDIC OIG, HSI	Subjects devised a scheme and applied for over \$7.6 million in PPP loans and EIDLs. Subjects misrepresented the number of employees and payroll expenses.	Subject 1 was sentenced to 12 months of probation. Subject 2 was sentenced to 24 months of probation. Subject 3 was sentenced to 12 months of probation. Subject 4 was sentenced to 12 months of probation. Subjects were ordered to pay \$7.6 million.
TX	BL	FBI, IRS CI	Subject submitted fraudulent PPP applications and received over \$650,000.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$629,000.
TX	BL	IRS CI	Subjects submitted multiple PPP applications seeking over \$3 million.	Subject 1 was sentenced to 70 months incarceration and 3 years supervised release. Subject 2 was sentenced to 48 months incarceration and 3 years supervised release. Subjects were ordered to pay \$2.5 million.
PR	DL BL	TIGTA, IRS CI, USSS	Subjects participated in an organized fraud kickback ring that recruited others to defraud the PPP and EIDL programs to receive over \$9 million in funding.	Subject 1 was sentenced to 24 months of probation. Subjects 4-12 were sentenced to 12 months of probation. Subjects were ordered to pay \$170,000.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
WA	BL	AFOSI	Subjects submitted fraudulent PPP and EIDL applications and received over \$800,000. Subjects created fictitious businesses for themselves and recruited others to obtain EIDL advances and PPP loans in exchange for a fee.	Subject 1 was sentenced to 13 months incarceration, 3 years of supervised release. Subject 2 was sentenced to 5 years probation. Subjects were ordered to pay \$882,000.
CA	BL	USAO	Subjects submitted multiple fraudulent PPP loan applications.	Subject 1 was sentenced to 12 months in home confinement, 2 years of supervised release. Subject 2 was sentenced to 84 months incarceration, 3 years of supervised release. Subjects were sentenced to 24 months of probation. Subjects were ordered to pay \$3.1 million.
FL	DL	FBI, USSS	Subjects submitted fraudulent PPP applications and attempted to obtain over \$1.7 million.	Subject 1 was sentenced to 36 months incarceration and 2 years supervised release. Subject 2 was sentenced to 36 months incarceration and 2 years supervised release. Subjects were ordered to pay \$1.3 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
FL	DL BL	FDIC OIG, TIGTA, IRS CI	A previous SBA employee and a USPS employee conspired and submitted multiple PPP and EIDL applications seeking over \$1.3 million.	Subject 1 was sentenced to 60 months incarceration and 2 years supervised release. Subject 2 was sentenced to 54 months incarceration and 2 years supervised release. Subject 3 was sentenced to 9 months incarceration and 2 years supervised release. Subjects were ordered to pay \$2.2 million.
FL	BL	FBI	Subjects devised a scheme and applied for over \$200,000 in PPP loans. Subjects misrepresented the number of employees and payroll expenses.	Subject 1 was sentenced to 5 months incarceration and 3 years supervised release. Subject 2 was sentenced to 5 years supervised release. Subjects were ordered to pay \$115,000.
UT	BL	TIGTA, USPIS	Subjects executed a scheme to defraud various lenders of over \$1.2 million by creating false companies.	Subject 1 was sentenced to 18 months incarceration and 3 years supervised release. Subject 2 was sentenced to 18 months incarceration and 3 years supervised release. Subjects were ordered to pay \$1.2 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
AL	BL DL RFF	FBI, IRS CI	Subject devised a scheme to manipulate, fabricate and upload fraudulent IRS and SBA forms used to process fraudulent PPP, RFF, EIDL applications which resulted in over \$774,000 disbursed and \$14.6 million in unsuccessful EIDL and RRF attempts.	Subject was sentenced to 114 months incarceration and 3 years of supervised release and was ordered to pay \$774,000.
NV	BL	FRB OIG, IRS CI, FDIC OIG	Subject fraudulently submitted loan applications through the PPP, falsely misrepresenting payroll and number of employees, to obtain over \$11 million to gamble at Las Vegas casinos and purchase luxury vehicles and real estate.	Subject was sentenced to 181 months incarceration and 5 years of supervised release and was ordered to pay \$11.7 million.
AL	DL BL	FRB OIG, IRS CI, FDIC OIG	Subject fraudulently submitted loan applications through the PPP and EIDL, obtaining over \$4.7 million.	Subject was sentenced to 57 months incarceration and 3 years of supervised release and was ordered to pay \$4.7 million
AZ	DL BL	FBI, IRS CI	Subject submitted false and fraudulent PPP and EIDL applications and received over \$306,000.	Subject was sentenced to 96 months incarceration, 3 years of supervised release, and ordered to pay \$899,552.
IL	BL	USSS	Subject submitted multiple fraudulent PPP loans and EIDLs on behalf of non-existent or non-operating businesses, resulting in a loss of \$567,333.	Subject was sentenced to 70 months incarceration and 3 years of supervised release and was ordered to \$567,333.
MD	DL BL	FBI	Subject submitted fraudulent PPP and EIDL applications and attempted to obtain over \$24 million in taxpayer funds.	Subject was sentenced to 3 months incarceration and 3 years of supervised release and was ordered to pay \$24 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
IA	DL	TIGTA, FDIC OIG	Subject submitted false and fraudulent EIDL applications and received over \$150,000.	Subject was sentenced to 3 years of supervised release and ordered to pay \$159,900.
TX	DL	USSS	Subject submitted false and fraudulent PPP applications and received over \$220,000.	Subject was sentenced to 72 months incarceration, 3 years of supervised release, and ordered to pay \$220,000.
OR	DL BL	IRS CI	Subject made false assertions and certifications concerning PPP and EIDLs totaling over \$2.7 million.	Subject was sentenced to 37 months incarceration and 3 years of supervised release and was ordered to over \$4 million.
TX	BL DL	VA OIG	Subject submitted fraudulent EIDL and PPP applications and attempted to obtain over \$2 million in taxpayer funds.	Subject was sentenced to 120 months incarceration, 3 months supervised release, and was ordered to pay \$1.9 million.
DC	BL DL	FBI	A former police officer made multiple false statements and attempted to obtain PPP loans and EIDLs and received \$35,000.	Subject was sentenced to 3 years supervised release and ordered to pay \$35,000.
FL	DL	USAO	Subject submitted fraudulent EIDL applications and attempted to obtain over \$500,000 in taxpayer funds.	Subject was sentenced to 4 years supervised release and ordered to pay \$304,999.
CO	DL	FBI	Subject made false statements and attempted to obtain EIDLs over \$1 million.	Subject was sentenced to 240 months incarceration, 2 years of supervised release, and ordered to pay \$1 million.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
KS	GC	FDIC OIG	Subject made multiple false statements and obtained a 7(a) loan for over \$3.6 million.	Subject was sentenced to 120 months incarceration, 3 years of supervised release, and ordered to pay \$3.7 million.
FL	BL	USAO	Subject made false statements and obtained \$750,000 in PPP loans.	Subject was sentenced to 180 months incarceration, 3 years of supervised release, and ordered to pay \$14.5 million.
FL	BL	USSS	Subject submitted false and fraudulent PPP applications and received over \$300,000 in loan proceeds.	Subject was sentenced to 42 months incarceration, 5 years of supervised release, and ordered to pay \$306,415.
IA	BL	FBI	Subject submitted fraudulent EIDL and PPP applications and attempted to obtain over \$3 million in taxpayer funds.	Subject was sentenced to 78 months incarceration, 2 years of supervised release, and ordered to pay \$3.4 million.
CA	DL BL	FBI	Subject submitted fraudulent PPP applications and received over \$9 million in loans.	Subject was sentenced to 18 months incarceration, 3 years of supervised release, and ordered to pay \$1.6 million.
CA	DL BL	USPIS	Subject submitted fraudulent PPP applications and received over \$300,000 in loan proceeds.	Subject was sentenced to 71 months incarceration, 3 years of supervised release, and ordered to pay \$317,000.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
MT	DL	AUSO	Subject applied for EIDL and EIDL advances using false information.	Subject was sentenced to 12 months incarceration, 3 years of supervised release, and ordered to pay \$130,000.
PA	DL BL	USSS, IRS CI, TIGTA	Subject applied for EIDL and PPP loans using false information.	Subject was sentenced to 12 months incarceration, 3 years of supervised release, and ordered to pay \$245,000.
OK	DL BL	TIGTA, FRB OIG	Subject created fraudulent documents, businesses, and false identities and attempted to receive over \$1.5 million in loans.	Subject was sentenced to 33 months incarceration, 5 years of supervised release, and ordered to pay \$1.6 million.
MD	BL DL	IRS-CI	Subject conspired and submitted false statements to fraudulently obtain over \$1.7 million in disbursements.	Subject was sentenced to 12 months incarceration, 3 years of supervised release, and ordered to pay \$1.3 million.
NY	BL DL	FRB OIG, FDIC OIG, USPIIS	Subject made multiple false statements and attempted to obtain PPP and EIDL loans totaling \$550,000.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$551,000.
UT	DL	IRS-CI	Subject made multiple false statements and attempted to obtain PPP and EIDLs.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$333,900.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
FL	BL DL	DHS HIS	Subject made multiple false statements and attempted to obtain over \$600,000 in PPP loans and EIDLs.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$609,234.
NY	DL	AUSA	Subject made multiple false statements and attempted to obtain EIDLs.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$498,000.
FL	BL DL	USSS	Subject made multiple false statements and attempted to obtain EIDLs.	Subject was sentenced to 21 months incarceration, 3 years of supervised release, and ordered to pay \$906,006.
CA	BL DL	FBI, IRS CI, FDIC OIG	Subject made multiple false statements and attempted to obtain EIDLs over \$15.7 million.	Subject was sentenced to 6 months incarceration, 3 years of supervised release, and ordered to pay \$644,433.
IL	BL	FHFA OIG, TIGTA	Subject secured over \$763,000 from 15 false PPP loan applications.	Subject was sentenced to 14 months incarceration, 18 months of supervised release, and ordered to pay \$763,643.
PA	BL DL	FBI NCIS	Subject laundered the proceeds of a large-scale business email compromise scheme through numerous business banking accounts he opened expressly for this purpose. Subject laundered about \$2 million and profited over \$100,000.	Subject was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$17,407.

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
OR	BL DL	TIGTA, DHS HSI	Subject secured over \$253,024 through PPP and EIDL programs and stole Treasury checks totaling \$406,468.	Subject was sentenced to 24 months incarceration, 13 months of supervised release, and ordered to pay \$144,575.
FL	BL DL	USAO	Subject submitted false and fraudulent PPP and EIDL applications and received over \$300,000 in loan proceeds.	Subject was sentenced to 41 months incarceration, 3 years of supervised release, and ordered to pay \$316,000.
MT	BL DL	FBI	Subject submitted multiple fraudulent PPP loans and EIDLs on behalf of non-existent or non-operating businesses.	Subject was sentenced to 12 months incarceration, 3 years of supervised release, and ordered to pay \$192,567.
TN	BL	USSS, FDIC OIG, FHFA OIG, TIGTA	As part of the scheme, subject submitted fraudulent PPP applications to obtain taxpayer funds.	Subject was sentenced to 18 months incarceration, 3 years supervised release, and order to pay \$4.4 million.

Table Notes:
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

Air Force Office of Special Investigations (AFOSI)
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)
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)

U.S. Small Business Administration | Office of Inspector General

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 H: 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 I: 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 407 and 420(b)(2)(B)

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
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
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 the Inspector General Act of 1978, codified as amended at 5 USC 407 and 420(b)(2)(B), confidentiality of a complainant's personal identifying information is mandatory, absent express consent by the complainant authorizing the release of such information.