

Semiannual Report to Congress

April 1, 2023 – September 30, 2023



Message from the Inspector General

November 30, 2023



Hannibal "Mike" Ware
Inspector General

I am pleased to present the U.S. Small Business Administration's (SBA) Office of Inspector General (OIG) Fall 2023 *Semiannual Report to Congress*. This report summarizes OIG's activities from April 1, 2023 through September 30, 2023, as required by law.

OIG has prioritized its oversight work to align with top management and performance challenges facing the agency's programs and operations. The scope of fraud within the pandemic response programs and the necessary oversight has strained OIG's investigative and auditing capacity absent the total resources requested in the 2024 Budget. We have estimated that SBA disbursed over \$200 billion in potentially fraudulent COVID-19 Economic Injury Disaster Loans (EIDL), EIDL Targeted Advances, Supplemental Targeted Advances, and Paycheck Protection Program (PPP) loans. This illustrates that we need the resources to continue to bring wrongdoers to justice and claw back fraudulently obtained public funds.

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 2023, OIG issued 11 reports with 25 recommendations to improve SBA operations and reduce fraud and unnecessary losses in agency programs.

We questioned \$3.8 billion in costs as a result of our oversight reviews. In addition, OIG investigations resulted in 251 indictments and 91 convictions. Overall, OIG's investigations and audit work achieved total dollar accomplishments of \$4.2 billion during this semiannual period.

The following highlights a few significant reviews and investigation findings covered in this report:



- Notable investigations include the successful prosecution of a \$20 million COVID-19 relief fraud ring, which included a tax preparer and client charged with fraudulently obtaining PPP funds.
- OIG issued the white paper *COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape* (Report 23-09). This report estimated SBA disbursed over \$200 billion in potentially fraudulent COVID-19 EIDLs, EIDL Targeted Advances, Supplemental Targeted Advances, and PPP loans out of the approximately \$1.2 trillion SBA disbursed in pandemic economic assistance.
- OIG issued a management advisory (Report 23-16) that recommended SBA not end collections on EIDLs under \$100,000 made to borrowers who received multiple loans, which when combined, exceed \$100,000. We also recommended SBA not end collections on any loan that appears to be fraudulent.
- OIG questioned \$3.5 billion disbursed from the Restaurant Revitalization Fund in Report 23-15, which recommended SBA develop processes and procedures to improve oversight.

OIG Staff Dedication and Success

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. Our resources will focus on systems and processes that present serious management and performance challenges within SBA programs to improve the integrity, accountability, and performance of those programs for the benefit of the American people.

A handwritten signature in black ink, appearing to read 'Hannibal Ware', with a stylized flourish at the end.

Hannibal "Mike" Ware

SBA Inspector General

Contents

Pandemic Response Oversight.....	1
Audits, Inspections, and Evaluations	1
Notable Investigations.....	5
Small Business Access to Capital.....	8
Advisory and Inspection	8
Investigation.....	10
Disaster Assistance Program.....	11
Notable Investigations.....	11
Contracting and Counseling Programs	13
Inspection.....	13
Investigation.....	14
Agency Management	15
Audit and Evaluation	15
Investigation.....	16
Other Significant OIG Activities.....	17
Background Investigations Ensure Integrity.....	17
Debarment and Other Administrative Enforcement Actions.....	17
Stakeholder Presentations on PPP and EIDL Fraud	17
Reviews of Proposed Agency Regulations, Operating Procedures, and Other Initiatives Lead to Improved Program Controls	17
Approval of Small Business Development Center Surveys.....	18
OIG Hotline.....	19
Unprecedented Numbers	19
Organizational Overview	20
U.S. Small Business Administration	20
Office of Inspector General.....	21
Appendices.....	24
Appendix A: Reporting Period Statistical Highlights	24
Appendix B: Full-Year Statistical Highlights, FY 2023.....	26
Appendix C: Reports, Recommendations, and Management Decisions	28
Appendix D: Investigations Reporting Statistics.....	52
Appendix E: Legal Actions Summary.....	53
Appendix F: Cosponsored and Other Activities	64
Appendix G: External Peer Reviews.....	68

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

Appendix H: Office of Inspector General Reporting Requirements..... 69
Make a Difference 70

Summary of OIG Oversight Work

Pandemic Response Oversight

As a result of the Coronavirus Disease 2019 (COVID-19) pandemic's widespread economic effects on the U.S. economy, Congress approved legislation to create the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP), which was gradually increased to \$813.7 billion. Congress also increased funding to SBA's disaster assistance program with a \$50 billion appropriation that made \$367 billion available through the Economic Injury Disaster Loan (EIDL) program and \$20 billion for emergency grants for eligible entities, which was then increased to \$55 billion total in 2021.

Congress enacted the Shuttered Venue Operators Grant (SVOG) with \$15 billion for SBA to administer in grants to shuttered venues, which was then increased to \$16.25 billion total in 2021. Also in 2021, Congress established the Restaurant Revitalization Fund (RRF) program with \$28.6 billion to help small businesses in the food service industry adversely affected by the pandemic.

Executive and legislative actions intended to expedite aid during the crisis led SBA to reduce or eliminate key internal controls that could have helped to mitigate fraud and misuse of taxpayer funds. In the EIDL program, the agency relied on a mandated self-certification of eligibility to expedite aid. The unprecedented demand and stress on SBA systems were considerable challenges for the agency, and fraudsters took advantage.

The following summarizes our pandemic oversight work this period.

Audits, Inspections, and Evaluations



Serious Concerns Regarding the Return of Paycheck Protection Program Funds (Report 23-08)

In this management advisory, we express concerns that SBA ensure it has processes and procedures in place to adequately accept, process, and account for PPP funds returned by borrowers, lenders, and financial institutions. Expedited management action should mitigate the risk of financial loss to taxpayers.

We recommended the agency provide detailed guidance to borrowers on returning PPP funds to lenders if the loan was forgiven or guaranty purchased. This included providing detailed guidance to lenders on their responsibilities for accepting PPP funds if the loan was forgiven, to include documenting reasons for the return of funds, returning the funds to SBA, conducting a fraud

review, reversing forgiveness when appropriate, and handling loans with only a partial return of funds. We recommended SBA seek periodic assurance from lenders that all PPP funds returned to lenders have been reported and returned to SBA. Finally, we recommend the agency provide detailed guidance to financial institutions that receive PPP fund deposits for borrowers regarding how to return PPP funds if there is suspected fraud or other issues that would warrant returning funds.

Though a formal response was not required, SBA managers indicated they would continue to formalize a PPP funds recovery process and will issue the guidance in late FY 2023, which we will monitor in our follow-up process.

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



COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape (Report 23-09)

In this white paper we estimated SBA disbursed over \$200 billion in potentially fraudulent COVID-19 EIDLs, EIDL Targeted Advances, Supplemental Targeted Advances, and PPP loans out of the approximately \$1.2 trillion allocated to SBA for pandemic economic assistance. This means at least 17 percent of all COVID-19 EIDL and PPP funds were disbursed to potentially fraudulent actors.

In the rush to swiftly disburse COVID-19 EIDL and PPP funds, SBA weakened or removed the internal controls necessary to prevent fraudsters from easily gaining access to these programs. Using investigative casework, prior OIG reporting, and advanced data analytics, we identified multiple schemes used by fraudsters to steal from the American taxpayer and exploit programs meant to help those in need. We believe loans identified as potentially fraudulent as part of our review warrant investigation by OIG and its investigative partners. We anticipate the overall potential fraud estimate could fluctuate as we continue to identify fraud schemes; therefore, we may issue periodic updates to this report with additional datasets through partnerships with other government agencies as well as through subpoenas of certain lenders and their third-party processors. As we receive and analyze additional datasets, the fraud groups may be refined to identify additional fraudulent loans.

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



SBA's Administrative Process to Address Potentially Fraudulent Restaurant Revitalization Fund Awards (Report 23-10)

We inspected SBA's administrative process used to review potentially fraudulent RRF applications and recover funds. We found 3,790 applications submitted through a point-of-sale partner were processed without verifying gross sales, a key control designed to prevent ineligible entities from receiving awards. As a result, SBA's RRF application processing system approved almost all 3,790 applications for awards, totaling \$557 million, despite not having gross sales verified. Once notified, SBA took quick action and prevented \$278.4 million from being disbursed to 1,618 of the 3,790 applicants, including 946 of the 1,056 potentially fraudulent awards which had been reported to the OIG Hotline. However, SBA had not reviewed the remaining 2,172 awards, totaling \$278.6 million, which included the remaining 110 potentially fraudulent awards reported to OIG, totaling \$20.7 million.

We made a recommendation to prioritize and complete the review of 2,172 RRF awards, which includes 110 RRF awards that were suspected of fraud and referred to the OIG Hotline. SBA managers agreed with the recommendation and plan to review all 2,172 RRF awards during the post-award process and resolve the recommendation.

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



SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs (Report 23-11)

We reviewed the SBA's purchase agreements with Highlight Technologies LLC for loan support services. To meet the increased demand for COVID-19 loan program support services, SBA issued labor hour contracts, e.g., call orders, using an existing agreement. We found SBA contracting officials did not always perform adequate price analyses, awarding contracts that were not the best use of taxpayer funds. SBA did not establish adequate guidance to ensure contracting officials consistently followed federal regulations. Instead of using the rates originally contracted for each loan center, officials approved that all labor rates could be billed at the Washington, D.C. region rates, which were the highest rates of all regions proposed. We also found that SBA did not actively monitor call orders to ensure compliance with the Limitation on Subcontracting Rule, which resulted in Highlight assigning more than 50 percent of its work on five orders to subcontractors who should not have received most of the work. As a result, an excess of \$1.2 million of contract costs went to businesses that did not meet eligibility standards for the set-aside contracts meant to benefit the small business community.

We made recommendations for the agency to update guidance to clarify price analysis requirements, document discount requests, identify the additional amount paid for using higher labor rates, and evaluate compliance with limitations on subcontracting. SBA management agreed to clarify in the agency's standard operating procedure that contracting officers are required to seek price reductions at the establishment of certain agreements. However, SBA either disagreed or proposed corrective actions that did not resolve the remaining three recommendations. OIG will seek resolution in accordance with our audit follow-up policy.

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



SBA's Oversight of Restaurant Revitalization Fund Recipients (Report 23-15)

We reviewed SBA's oversight of the recipients who received \$28.6 billion in RRF funds meant to help eligible small businesses that primarily served food or drinks that were adversely affected by the pandemic. We determined program officials developed an oversight plan for monitoring RRF award recipients use of funds and recovering unused or improperly awarded funds; however, program implementation was not executed in accordance with this plan.

We made recommendations for SBA to develop processes and procedures to improve oversight of RRF program recipients and recover unused or improperly awarded funds. SBA agreed to add awards to the post-award sample for manual review that we found were marked in the PPP loan data as potentially fraudulent or ineligible. SBA managers agreed to assess the post-award review process and staff requirements to ensure the oversight is conducted in a prompt manner. The agency also agreed to take immediate administrative actions to recover improper payments from the 23 recipients we found to be ineligible, totaling \$39 million in savings to taxpayers. SBA will also prioritize an effort to establish and implement procedures to recover unused or ineligible recipient funds.

We questioned costs of about \$3.5 billion in awards made to over 20,000 recipients who did not comply with requirements to file a report on how they used their award funds. SBA agreed and plans to use a variety of contact methods to follow-up with recipients to ensure they all submit their final annual report and take action to recover funds if necessary. We recommended SBA use its authority to extend the record retention period for all RRF award recipients, but SBA disagreed because management did not think that the authority applied to this program. We will work with SBA managers on the unresolved recommendation in accordance with our audit follow-up policy.

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



Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans (Report 23-16)

This management advisory expressed concerns regarding SBA’s decision to end active collections on delinquent COVID-19 EIDLs with an outstanding balance of \$100,000 or less. SBA’s decision to cease collections risks violating the Debt Collection Improvement Act of 1996, which prohibits ending collections on fraudulent, false, or misrepresented claims, because SBA OIG and other oversight agencies are continuing to work on identifying COVID-19 EIDL fraud that may not have been identified by the agency.

We recommended that SBA perform a cost-benefit analysis that includes periodic comparisons of costs incurred and amounts collected on the loan portfolio to assess whether collection costs exceed recovery amounts. We recommended that the agency amend as appropriate its decision to end active collection contingent on the outcome of a more comprehensive cost-benefit analysis. We also recommended that SBA not end collections on EIDLs under \$100,000 made to borrowers who received multiple loans, when combined, exceed \$100,000 or end collections on any loan that appears to be fraudulent. Finally, we recommended the agency evaluate the portfolio with the U.S. Department of the Treasury to determine if selling the loans is in the best interest of the government.

SBA management agreed with not ending collections on EIDLs under \$100,000 made to borrowers who received multiple loans. The agency contingently agreed to reevaluate its decision to end active collections based on the outcome of performing a comprehensive cost-benefit analysis. SBA managers agreed not to end collections on any EIDL that appears to be fraudulent. The agency disagreed with our final recommendation to evaluate the portfolio with Treasury. We will work with SBA managers on the unresolved recommendation in accordance with our audit follow-up policy.

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

Notable Investigations



Leader of \$20 Million COVID-19 Relief Fraud Ring Convicted

A Texas man who led a multimillion-dollar COVID-19 relief fraud ring and six of his co-conspirators was sentenced to 15 years in prison for fraudulently obtaining more than \$20 million in forgivable PPP loans. The man led the conspiracy, involving at least 14 other people, to submit more than 75 fraudulent PPP loan applications in 2020. In the applications, they falsified the number of employees and the average monthly payroll expenses of the applicant businesses and submitted fraudulent bank records and/or fake federal tax forms. Some were paid large kickbacks in exchange for their assistance with the fraudulent PPP loan

applications. Federal agents also executed 45 seizure warrants in conjunction with this case. They seized real estate, a Porsche, and a Lamborghini purchased with illegally obtained funds. In addition, six other people have pled guilty and were sentenced for their roles in this loan fraud scheme.



Florida Real Estate Broker Agrees to Pay Over \$4 Million to Resolve False Claims Relating to COVID-19 Funds Claims

A Florida real estate broker and his companies agreed to settle allegations that they violated the False Claims Act by providing false information in support of multiple PPP loans and EIDLs. From April 2020 through June 2021 the broker prepared and submitted false and fraudulent applications and documents to obtain 4 EIDLs and 14 PPP loans totaling \$1.5 million. The broker submitted false federal tax documents, state tax documents, and employee wage reports. The broker used the EIDL and PPP funds to live a lavish lifestyle, purchasing and paying off properties, including a vacation villa in Mexico and a red 1981 Ferrari. The broker submitted false and fraudulent forgiveness applications certifying that the entire loan amounts were used to pay eligible business costs. As part of the settlement, the broker agreed to pay \$4 million in damages and penalties under the Act.



Tax Preparer and Client Charged with \$13 Million PPP Fraud Scheme

Two New York men, one the owner of a tax preparation business, were charged with major fraud against the United States and conspiracy to commit wire and bank fraud for their participation in a scheme to fraudulently obtain over \$13 million in government-backed PPP loans designed to provide relief to small businesses during the pandemic. From at least April 2020 through June 2021, the tax preparer submitted more than 100 PPP applications containing false information to about 7 financial institutions on behalf of his own companies as well as reputed client companies. Bank records also show that instead of using the PPP loan proceeds for allowable expenses, such as payroll costs, mortgage interest, rent, and utilities, the tax preparer moved millions of dollars between his many accounts and used those proceeds to purchase property, pay off personal loans, and expenses for other companies under his control. He recruited the second man and others to open bank accounts for companies that did no business, created fake invoices and other supporting documentation such as false Internal Revenue Service (IRS) filings and submitted fraudulent applications for numerous PPP loans.



Tallahassee Couple Sentenced for Wire Fraud Conspiracy, Money Laundering Conspiracy, and Making False Statements

A Florida couple pled guilty to one count each of wire fraud conspiracy, money laundering conspiracy, and making false statements in connection to COVID-19 pandemic relief. The couple was sentenced to 40 months and to 24 months in prison. Between March 1, 2020 and September 1, 2021, the couple made false and fraudulent representations in applications to SBA and financial institutions. They inflated average monthly payroll expenses and used false tax forms as supporting documentation. The couple submitted a total of 166 false and fraudulent EIDL applications, of which 50 were funded for businesses that they owned and other business owners whom they recruited. The couple also submitted 20 fraudulent PPP loan applications and 3 SVOG applications. Most of the applications were an elaborate kickback scheme taking advantage of the crisis and taxpayer resources.



CEO of PPP Lender MBE Capital Sentenced to 54 Months for Fraudulent Loan and Lender Applications

A New York man was sentenced to 54 months in prison for his role in a scheme to submit fraudulent loan and lender applications related to the PPP. He previously had pled guilty to one count of conspiracy to commit wire fraud. According to the court documents, the CEO used false representations and documents to fraudulently obtain the approval of SBA for his company to be a non-bank lender through the PPP to secure hundreds of millions in capital for PPP loans and collect more than \$71 million in lender fees. In addition, he engaged in a scheme to obtain a PPP loan for his company for \$283,764 using false information on the number of employees and wages, forging the forged signature of the tax preparer.

Small Business Access to Capital

SBA provides small businesses with capital and financial assistance through several key programs. The agency has a financial assistance portfolio of guaranteed and direct loans that totaled about \$173 billion as of December 2022, after the forgiveness of over \$750 billion in Paycheck Protection Program loans. Over the years, OIG has worked closely with the agency to identify potential points of risk and improve SBA's oversight and controls to ensure eligible participants most in need of assistance benefit from these programs.

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

SBA has centralized several loan approval and servicing functions and reduced the number of staff performing these functions, placing more responsibility on and giving greater independence to lenders. Past OIG reviews have reported on these trends, and OIG continues to identify weaknesses in SBA's lender oversight processes.

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

The following summarizes our audit and investigation work this period.

Advisory and Inspection



SBA's Reporting of Loan Data to a Commercial Credit Reporting Agency (Report 23-13)

This management advisory expresses concerns about SBA's reporting of loan data to a commercial credit reporting agency so that it can effectively incorporate and analyze SBA-provided commercial loan data into its commercial credit database.

Commercial credit reporting agencies collect data on millions of businesses and combine the data to create business credit reports and then calculate a credit rating. These business credit reports are used when businesses apply for a business loan, establish payment terms with a new vendor,

or obtain any type of business credit. SBA provided one commercial credit reporting agency its commercial loan data but was unaware that the credit reporting agency had not analyzed or incorporated this loan data into its commercial credit files from October 2018 to June 2023. According to the commercial credit reporting agency, it could not use the data because, in 2018, SBA did not submit it in a timely manner. The commercial credit reporting agency stated that SBA needed to validate the integrity of the data before the credit report agency could resume using it. The credit reporting agency made several attempts to apprise SBA of this issue; however, they were unable to reach an SBA point of contact.

To ensure SBA provides this commercial credit reporting agency with complete, accurate, and timely loan data sufficient for incorporation into its business credit files and establish an applicant's creditworthiness, we suggested SBA coordinate with the commercial credit reporting agency to 1) ensure SBA commercial loan data is reported in a manner that can be included in its credit files, 2) establish communication protocols with the credit reporting agency to address, resolve, and monitor commercial credit reporting issues, and 3) establish a written agreement for reporting loan data with the credit reporting agency and other major credit reporting agencies, as applicable.

SBA stated that it reports commercial credit data to all three major commercial credit reporting agencies either quarterly or monthly and also reports credit-relevant data to critical government databases, including the Credit Alert Verification Reporting System and the U.S. Department of the Treasury's Do Not Pay system. SBA management stated that it uses credit scores and reports to support the agency's capital programs and that all these credit reporting systems help ensure that lenders have the data needed to make informed decisions regarding creditworthiness. SBA managers stated they have had preliminary meetings with this credit reporting agency and that their Office of Performance and Systems Management would work with it to establish communication protocols to address, resolve, and monitor commercial credit reporting issues.

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



SBA's Corrective Actions to Improve Controls Over 7(a) Loans Sold on the Secondary Market (Report 23-14)

SBA is authorized under Section 7(a) of the Small Business Act to provide financial assistance to small businesses in the form of government guaranteed loans. The secondary market was established to provide greater liquidity to lenders, expanding the availability of commercial credit for small businesses because lenders are allowed to sell the guaranteed portions of their loans on the secondary market. The lender receives cash equal to the

amount of the guaranteed portion sold plus a market driven premium, while the investor gets an interest earning security that is backed by the full faith and credit of the U.S. government.

Before a loan can be sold on the secondary market, the lender must submit it to the fiscal and transfer agent for approval. The fiscal and transfer agent reviews loans submitted for sale approval via the Secondary Participation Guaranty Agreement. SBA maintains a watch list for lenders under regulatory, state, or federal orders. Lenders on this list may request to sell a loan on the secondary market through the fiscal and transfer agent. However, due to the risk associated with these lenders, SBA's Office of Credit Risk Management conducts a detailed review of each loan to determine whether it complies with SBA requirements and is eligible for sale.

We determined that the process SBA established to document secondary market loan sale denials in the Centralized Loan Chron System was generally effective at communicating loan deficiencies to the appropriate loan centers. SBA completed its process to document secondary market loan sale denials in this centralized loan system; however, we noted that the required system notes on two of eight denied applications were not made until after we announced this inspection and requested applicable information. An SBA official stated they noted the error while compiling the requested information and made the corrections in the system prior to sending us the information.

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

Investigation



Scammer Pleads Guilty in Straw Man Scheme

A California man pled guilty in a U.S. District Court, was sentenced to 2 years of probation, and ordered to pay restitution of \$262,000. The investigation revealed that he and a co-defendant recruited a straw man to act as the owner of a restaurant. He directed the straw man to apply for a \$280,000 SBA loan to acquire and renovate a restaurant. He directed the straw borrower to falsely claim he was the owner of the business and that he had \$117,000 in cash available for the loan to get approved. He instructed the straw borrower to submit a fabricated gift letter and false bank statements to meet the cash injection requirement for the loan. He then opened a fictitious business account to deposit the loan proceeds.

Disaster Assistance Program

Disaster assistance has been part of the agency since its inception in 1953. SBA provides long-term, low-interest financial assistance to businesses of all sizes, private nonprofits, homeowners, and renters following a declared disaster. Each year, SBA approves hundreds of millions in disaster assistance loans.

The disaster assistance loan program is the only form of SBA assistance not limited to small businesses. The program's disaster assistance loans are the primary form of federal assistance for repairing and rebuilding nonfarm, private sector losses following a declared disaster.

The program includes four categories of loans for disaster-related losses: home disaster loans, business disaster loans, economic injury disaster loans (includes pandemic relief loans), and military reservist economic injury loans.

During this semiannual period, our audit work in this program area was focused on the pandemic response programs. We have initiated three inspections on SBA's initial response to hurricanes Fiona, Ian, and Idalia and the Maui wildfires. We expect to issue these reports in the second quarter of Fiscal Year 2024.

Notable Investigations



Georgia Man Sentenced in Scheme that Netted Over \$4.5 Million in EIDL and PPP Funds

A Georgia man was sentenced to 38 months, then 3 years supervised release, and ordered to pay \$4.5 million in restitution to SBA after pleading guilty to conspiracy to commit wire fraud and money laundering. The man completed false and fraudulent EIDL applications for himself and received hundreds of thousands in kickbacks in return for completing and submitting fraudulent PPP and EIDL applications on behalf of others. To create those applications, the man fabricated IRS forms and tax records.



SBA Employee Sentenced in \$11 Million COVID-19 Relief Fraud Scheme

A Mississippi man and employee of SBA was sentenced to 62 months, then 5 years of supervised release, and ordered to pay \$10 million in restitution to SBA for his role in a scheme to defraud the agency of more than \$11 million. According to court documents, he used his position to assist borrowers in submitting fraudulent EIDL applications, which were intended by Congress to help small businesses recover from the pandemic. In return for his assistance in submitting fraudulent loan applications, those borrowers paid him and his co-defendant over

\$2.3 million. In total, 21 of the 23 people charged in this case have entered guilty pleas and are pending sentencing.



New York City Employees Sentenced to Federal Prison in \$1.5 million Fraud Scheme

Between May and September 2023, nine New York City employees were sentenced to a collective 54 months in prison, 12 years of probation, and ordered to pay \$1.9 million in restitution for their roles in obtaining fraudulent SBA loans. The defendants were New York City public employees in the police department, human resources administration, metropolitan transit authority, department of education, department of corrections, department of transportation, and the administration for children’s services. One was employed by a New York City nonprofit organization. Each conspired to submit fraudulent EIDL and PPP applications under false claims of business ownership of hair and nail salons, claimed six-figure gross revenues, and employees they did not have. Many of the defendants paid kickbacks to other members of the scheme to defraud taxpayers. The defendants spent the proceeds on gambling, personal stock investments, home furniture and electronics, and luxury clothing items.

Contracting and Counseling Programs

The U.S. government is the largest single purchaser of goods and services in the world, awarding over \$550 billion in prime contracts annually. SBA works to maximize opportunities for small businesses to receive these contract awards. As mandated by the Small Business Act, the government-wide goal is to award at least 23 percent of contract dollars to small businesses.

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

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

SBA also aids existing and prospective small businesses through a variety of counseling and training services offered by partner organizations. Among these partners are Small Business Development Centers, the SCORE mentoring network, Women's Business Centers, and Veterans Business Outreach Centers. SBA designed the Boots to Business program to provide transitioning military service members entrepreneurial skills and technical assistance to start their own businesses. SBA also started the Community Navigator Pilot Program, an American Rescue Plan initiative. This program will provide funding to organizations working with local community groups to improve access to government resources. These programs all require effective and efficient management, outreach, and service delivery.

Inspection



SBA's Corrective Actions to Improve Oversight of the SCORE Association (Report 23-12)

We inspected SBA's corrective actions for 8 of our 11 recommendations from our *Audit of SBA's Oversight of the SCORE Association* to determine whether

SBA continues to practice corrective actions. A verification inspection is a limited scope that focuses on closed recommendations from prior OIG reports.

We determined seven of the eight recommendations we inspected from [OIG Report 19-12](#) to be fully implemented, including recommendations for SCORE to develop a centralized accounting

system, train all chapter treasurers, and issue monthly accounting bulletins highlighting chapters' financial concerns. The association also acknowledge SBA's support of SCORE's publication materials. SCORE chapters no longer act as fiscal agents for cosponsored events. The terms and conditions of the grant included whistleblower protection information. SBA ensured the cost of the leased space or related material and services that it donated to SCORE were accurately reported. Program officials continued to report on statistics from business owners helped by the organization. SBA program officials did not fully implement one recommendation to establish procedures to ensure the data in the Entrepreneurial Development Management Information System was accurate. Also, program officials did not ensure SCORE reported on its progress toward all the performance goals in the quarterly performance reports. We will track management's implementation by reopening the recommendation and will work with SBA to establish a target date for implementing corrective actions through the audit follow-up process.

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

Investigation



Military Contractors Sentenced for Bid Rigging in Texas

Two military contractors were sentenced for their roles in a bid-rigging scheme involving the maintenance and repair of military tactical vehicles in Texas. The multi-year scheme sought to obtain more than \$17 million in taxpayer dollars. One of the men was sentenced to 18 months in prison and ordered to pay a criminal fine of \$50,000. Another man was sentenced to 6 months in prison and ordered to pay \$300,000 for involvement in seven bids. According to the plea agreement, the co-conspirators rigged bids on certain government contracts from May 2013 to January 2018 to give the false impression of competition and secure government payments. They submitted coordinated higher-priced non-competitive bids to ensure a designated company won each contract. The co-conspirators rigged six different contracts for work performed for the Army Depot. The projects included heavy military equipment work like refurbishing armor kits for military trucks and turrets for Humvees.

Agency Management

OIG is responsible for ensuring that agency management appropriately safeguards SBA from fraud, waste, and abuse, and that SBA activities directly further agency goals. 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 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.

Audit and Evaluation



SBA's Controls Over Cash Contributions and Gifts, Fiscal Years 2023 and 2022 (Report 23-06)

We reviewed various management and financial records, applicable laws, regulations, and policies to evaluate how SBA handled its cash contributions and gifts. We found SBA complied with the Consolidated Appropriations Acts, 2023 and 2022 and SBA regulations and policies regarding soliciting and accepting cash contributions for National Small Business Week 2023. SBA's Office of Communications and Public Liaison obtained proper approval from the SBA Office of General Counsel for the Business Week cosponsored activity. SBA certified the 10 entities that cosponsored Business Week were vetted through the program offices to ensure no business relationship existed that would cause a conflict of interest.

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



Independent Auditors' Report on SBA's Fiscal Year 2022 Compliance with the Payment Integrity Information Act of 2019 (Report 23-07)

We contracted with the independent certified public accounting firm KPMG, and it found SBA was not compliant with 9 of the 10 reporting requirements under the Payment Integrity Information Act and Office of Management and Budget (OMB) guidance. SBA is not compliant with the Act because the agency's risk assessment methodology did not consider certain identified risk factors to adequately conclude whether the Restaurant Revitalization Fund, Shuttered Venue Operators Grant, and the payments for covered loans in the 7(a) and 504 Certified Development Company loan guaranty programs under the debt relief assistance program were likely to include improper and unknown payments above or below the statutory threshold. The auditors also found the sampling and estimation methodology plans were not appropriate for SBA disaster assistance loans, COVID-19 EIDL, and EIDL Targeted Advance programs and activities. In addition, for COVID-19 EIDLs, EIDL advances, and the Paycheck Protection Program, SBA did not design and implement adequate sample review procedures to produce reliable sample results that

could be used to develop accurate improper and unknown payment estimates. SBA did not demonstrate improvements to payment integrity for 7(a) loan guaranty purchases because the improper payment estimate increased between fiscal years 2021 and 2022. Auditors found SBA did not publish improper and unknown payment estimates, corrective action plans, and reduction targets within the *Agency Financial Report Fiscal Year 2022* and accompanying materials for PPP loan guaranty purchases and forgiveness activities.

SBA concurred with the recommendations and indicated it is committed to reducing the dollar amount of improper payments, ensuring program integrity, and continuing to implement effective risk management procedures in accordance with improper payment legislation, as well as guidance prescribed in OMB Memorandum M-21-19, Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement.

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

Investigation



Former IT Contractor Pled Guilty to Trafficking Stolen Property from SBA

A Maryland woman pled guilty in Superior Court to one count of trafficking in stolen property for stealing and reselling at least \$110,233 worth of laptop computers from SBA. She was employed as a contractor who was assigned to work at the SBA IT service desk at SBA headquarters in Washington, D.C. According to the government's evidence, between November 20, 2017 and August 22, 2018, she stole and then resold at least 57 laptop computers paid for by taxpayer money on an online customer-to-customer marketplace used to buy and sell products and services. She did this while using the SBA guest wireless network.

Other Significant OIG Activities

Background Investigations Ensure Integrity

During this reporting period, OIG initiated 73 background investigations and issued 3 security clearances for OIG employees and contractors. OIG adjudicated 23 background investigative reports, debarment, and other administrative enforcement actions.

Debarment 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 11 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 PPP and EIDL Fraud

During this reporting period, SBA OIG held 77 presentations for internal and external stakeholders to raise awareness of fraud, waste, and abuse related to SBA programs. More than 3,477 participants attended these events.

Reviews of Proposed Agency Regulations, Operating Procedures, and Other Initiatives Lead to Improved Program Controls

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 works with the agency to promote more effective controls to deter waste, fraud, and abuse. During the reporting period, OIG reviewed 136 proposed revisions of these program directives and submitted comments designed to improve 15 of these initiatives.

Approval of Small Business Development Center Surveys

According to 15 USC 648(a)(7) of the Small Business Act, when Small Business Development Center information disclosure regulations are issued, the Inspector General must approve any related client survey, as well as the use of any survey information. OIG must also include this approval in the semiannual report. SBA did not submit any surveys to OIG review during this reporting period.

OIG Hotline

Offices of Inspector General have a hotline function that takes complaints from anyone who suspects waste, fraud, 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.

Unprecedented Numbers



Hotline work has changed dramatically because of the COVID-19 pandemic. OIG's Hotline team has been diligently working through a large backlog of complaints. The staff is addressing each complaint received through online submissions to the SBA OIG website, telephone, e-mail, and posted mail, as well as referrals from banks and other agencies.

During this semiannual period, the OIG Hotline received more than 25,000 complaints of loan fraud and abuse, identity

theft, and problems with SBA's customer service.

In total, since the pandemic began in March 2020, OIG has received more than 260,000 complaints. By contrast, the OIG Hotline received 742 complaints in calendar year 2019.

Organizational Overview

U.S. Small Business Administration

The mission of the SBA 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. The agency's strategic plan for FYs 2022–26 has three key goals:

1. Ensure equitable and customer-centric design and delivery of programs to support small businesses and innovative startups.
2. Build resilient businesses and a sustainable economy.
3. Implement strong stewardship of resources for greater impact.

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 4 disaster field offices. 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 FYs 2022–2027 has four goals. In addition to the Office of Counsel to the Inspector General, four divisions assist in carrying out the statutory responsibilities of OIG: the Audits Division, Investigations Division, Technology Solutions Division, and the Management and Operations Division.

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

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

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

The Investigations Division manages programs 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, the Hotline reviews



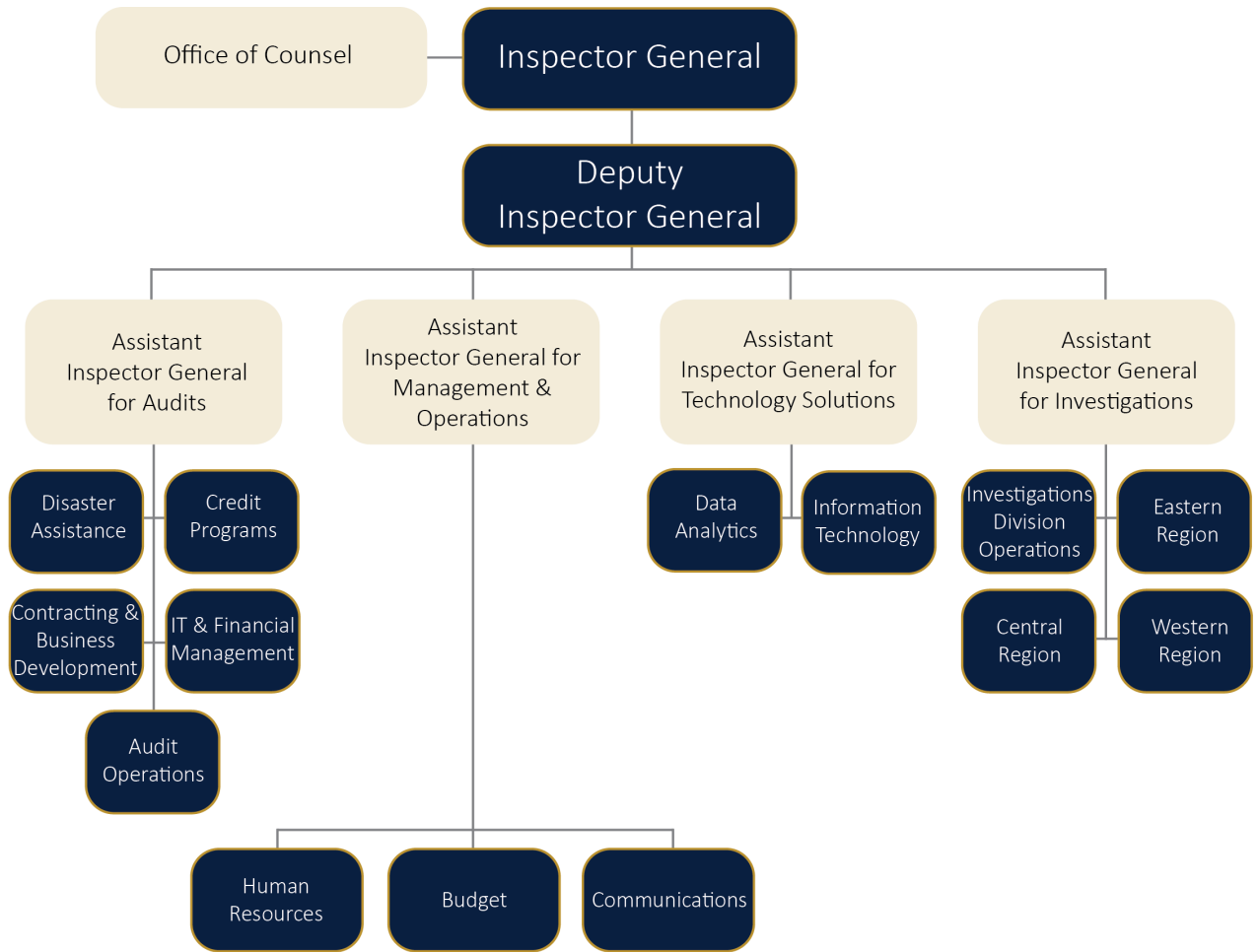
allegations of waste, fraud, abuse, and severe mismanagement within SBA or its programs made by employees, contractors, and the public.

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 Technology Solutions Division provides data analytics and information technology support across OIG, such as artificial intelligence and machine learning solutions. It expands the impact of OIG's oversight activities.

The Management and Operations Division provides business support (e. g., budget and financial management, human resources, and procurement) for various OIG functions and activities. The Security Operations Staff within the division conducts 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 PIV cards pursuant to HSPD-12 background investigations requirements.

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



Appendices

Appendix A: Reporting Period Statistical Highlights

Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	—
Potential Investigative Recoveries and Fines	\$140,627,422
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies)	\$22,504,978
Asset Forfeitures Attributed to OIG Investigations	\$45,517,862
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$1,345,891
Investigations Subtotal	\$209,996,153
Dollar Accomplishments as a Result of Audit Activities	—
Disallowed Costs Agreed to by Management	\$3,807,280,585
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$3,807,280,585
Total OIG Dollar Accomplishments	\$4,017,276,738

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

Reports Issued	11
Recommendations Issued	25
Dollar Value of Costs Questioned	\$3,812,290,967
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations with Management Decisions	25
Recommendations without a Management Decision	1
Collections as a Result of Questioned Costs	0

Indictments, Convictions, and Case Actions

Indictments from OIG Cases	251
Convictions from OIG Cases	91
Cases Opened	77
Cases Closed	99

SBA Personnel Actions Taken as a Result of Investigation

Dismissals	0
Resignations and Retirements	0
Suspensions	0
Reprimands	0

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

Present Responsibility Referrals to the Agency	5
Pending at the Agency as of September 30, 2023	5
Suspensions Issued by the Agency	54
Proposed Debarments Issued by the Agency	54
Final Debarments Issued by the Agency	4
Proposed Debarments Declined by the Agency	0
Administrative Agreements Entered by the Agency in Lieu of Debarment	0
Present Responsibility Actions by Other Agencies	0

Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	32
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	4

Appendix B: Full-Year Statistical Highlights, FY 2023

Summary of OIG Dollar Accomplishments

Dollar Accomplishments as a Result of Investigations and Related Activities	—
Potential Investigative Recoveries and Fines	\$274,489,206
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies)	\$24,279,932
Asset Forfeitures Attributed to OIG Investigations	\$87,680,566
Loans and Contracts Not Approved or Canceled as a Result of Investigations	\$1,410,540
Investigations Subtotal	\$387,860,244
Dollar Accomplishments as a Result of Audit Activities	—
Disallowed Costs Agreed to by Management	\$3,807,280,585
Recommendations that Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$3,807,280,585
Total OIG Dollar Accomplishments	\$4,200,151,211

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

Reports Issued	16
Recommendations Issued	75
Dollar Value of Costs Questioned	\$3,812,290,967
Dollar Value of Recommendations that Funds Be Put to Better Use	0
Recommendations with Management Decisions	75
Recommendations without Management Decisions	1
Collections as a Result of Questioned Costs	\$1,367,417

Indictments, Convictions, and Case Actions

Indictments from OIG Cases	445
Convictions from OIG Cases	216
Cases Opened	195
Cases Closed	249

SBA Personnel Actions Taken as a Result of Investigations

Dismissals	0
Resignations and Retirements	0
Suspensions	0
Reprimands	0

Program Actions Taken During the Fiscal Year as a Result of OIG Action

Present Responsibility Referrals to the Agency	16
Pending at the Agency as of September 30, 2023	5
Suspension Issued by the Agency	59
Proposed Debarments Issued by the Agency	59
Final Debarments Issued by the Agency	11
Proposed Debarments Declined by the Agency	0
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	0

Agency Legislative and Regulatory Proposals Reviewed

Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	136
Comment Memoranda Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	15

Appendix C: Reports, Recommendations, and Management Decisions

Reports Issued

Agency Management

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
SBA's Controls Over Cash Contributions and Gifts, FYs 2023 and 2022	23-06	4/27/2023	—	—
Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	23-07	5/15/2023	—	—
Program Subtotal	2	—	0	0

Credit/Capital Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Serious Concerns Regarding the Return of PPP Funds	23-08	5/31/2023	—	—
COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape	23-09	6/27/2023	—	—
SBA's Reporting of Loan Data to a Commercial Credit Reporting Agency	23-13	9/21/2023	—	—
SBA's Corrective Actions to Improve Controls Over 7(a) Loans Sold on the Secondary Market	23-14	9/27/2023	—	—
Program Subtotal	4	—	0	0

Disaster Assistance

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	23-16	9/29/2023	—	—
Program Subtotal	1	—	0	0

Contracting and Counseling Programs

Title	Report Number	Issue Date	Questioned Costs	Funds for Better Use
SBA's Administrative Process to Address Potentially Fraudulent RRF Awards	23-10	7/5/2023	\$278,570,834	—
SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs	23-11	7/26/2023	\$5,010,382	—
SBA's Corrective Actions to Improve Oversight of the SCORE Association	23-12	9/21/2023	—	—
SBA's Oversight of Restaurant Revitalization Fund Recipients	23-15	9/29/2023	\$3,528,709,751	—

Program Subtotal	4	—	\$3,812,290,967	0
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Reports with Questioned Costs

IG Act Reporting Requirement	Reports	Recommendations*	Questioned Costs**	Unsupported Costs***
No management decision made by March 31	—	—	—	—
Issued during this reporting period	3	5	\$3,812,290,967	—
Management decisions made during this reporting period	3	5	\$3,812,290,967	—
(i) Disallowed costs	2	3	\$3,807,280,585	—
(ii) Costs not disallowed	1	2	\$5,010,382	—
No management decision made by September 30	0	0	—	—

* Reports may have more than one recommendation.

** Questioned costs found to be improper.

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

Reports with Recommendations that Funds Be Put to Better Use

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

Reports from Prior Periods with Overdue Management Decisions

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

Reports from Prior Periods with Open Recommendations as of September 30, 2023

Report Number	Title	Date Issued	Number of Open Recommendations	Aggregate Potential Cost Savings
20-03	Audit of SBA's Oversight of High-Risk Lenders	11/12/2019	3	—
20-20	Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended	9/30/2020	9	—
21-02	Inspection of SBA's Initial Disaster Assistance Response to the Coronavirus Pandemic	10/28/2020	3	—
21-07	Inspection of SBA's Implementation of the Paycheck Protection Program	1/14/2021	1	—
21-08	SBA's Use of Vendors Without a Contract	2/3/2021	3	\$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	8	\$785,961
22-01	SBA's Emergency EIDL Grants to Sole Proprietors and Independent Contractors	10/7/2021	1	\$4,500,000,000
22-04	Independent Auditors' Report on SBA's Compliance with DATA Act Reporting	11/8/2021	1	—
22-06	COVID-19 EIDL Program Recipients on the Department of Treasury's Do Not Pay List	11/30/2021	2	—
22-07	SBA's Oversight of the Grant Recipient's Implementation of the CARES Act Resource Partners Training Portal	1/18/2022	3	—
22-08	SBA's Business Development Assistance to 8(a) Program Participants	2/14/2022	5	\$24,317,629
22-11	FY 2021 FISMA Review	4/28/2022	1	—
22-13	SBA's Handling of Potentially Fraudulent PPP Loans	5/26/2022	2	—
22-15	Inspection of SBA's Award and Payment Practices in the Shuttered Venue Operators Grant Program	7/5/2022	1	—
22-17	Evaluation of COVID-19 EIDL Applications Submitted from Foreign IP Addresses	9/12/2022	2	—
22-19	COVID-19 and Disaster Assistance Information Systems Security Controls	9/27/2022	8	—
22-20	SBA's Implementation of the Women-Owned Small Business Certification Program	9/29/2022	1	—
22-21	Paycheck Protection Program Eligibility for Nonprofit Organizations	9/26/2022	1	—

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

22-22	Follow-up Inspection of SBA's Internal Controls to Prevent COVID-19 EIDLs to Ineligible Applicants	9/29/2022	2	\$1,969,200
22-23	SBA's Corrective Actions to Improve Monitoring District Offices' Customer Service Activities	9/30/2022	1	—
22-25	SBA's Guaranty Purchases for PPP Loans	9/30/2022	2	—
23-02	Independent Auditors' Report on SBA's Fiscal Year 2022 Financial Statements	11/15/2022	12	—
23-03	FY 2022 FISMA Review	12/13/2022	4	—
—	Total	—	77	\$4,537,873,266

Significant Recommendations from Prior Reporting Periods without Final Action as of September 30, 2023

Report Number	Date Issued	Number	Recommendation	Date of Management Decision	Final Action Target Date
20-03	11/12/2019	1	Develop and implement policies and procedures to document OCRM's justification for not conducting planned reviews and identifying and prioritizing additional lenders for review.	11/15/2019	12/31/2023
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	12/31/2023
20-03	11/12/2019	5	Develop and implement policies and procedures that require OCRM to communicate systemic lender issues and material loan deficiencies to the appropriate SBA loan approval and purchase centers to facilitate proactive portfolio management and to mitigate the risk of improper guaranty purchases in the event of default.	11/15/2019	12/31/2023

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

20-20	09/30/2020	1	Review all loans assigned to the resolution center that are 180 days or more delinquent and classified with code 66 (Lien or Mortgage/Refer to Treasury Offset Program Only) and 00 (Clear Existing Status Code) and transfer the loans to Treasury Cross-Servicing, unless verified as exempt when the temporary suspension of debt collection activities because of the pandemic is lifted.	09/16/2020	08/15/2023
20-20	09/30/2020	10	Perform a cost benefit analysis to determine if SBA should begin assessing fees to offset the cost of processing and handling delinquent disaster loans.	09/16/2020	10/31/2023
20-20	09/30/2020	2	Revise SOP 50 52 to clearly communicate that all loans with collateral must be evaluated for foreclosure and placed in foreclosure status before they are 180 days delinquent.	09/16/2020	10/31/2023
20-20	09/30/2020	3	Revise SOP 50 52 2 to clearly communicate that all debts 180 days delinquent must be transferred to Treasury Cross-Servicing unless the debt meets a valid transfer exemption.	09/16/2020	10/31/2023
20-20	09/30/2020	5	Ensure that information used to monitor compliance with the Debt Collection Improvement Act includes all loans assigned to the resolution center as identified in the Capital Access Financial System.	09/16/2020	10/31/2023

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

20-20	09/30/2020	6	Review all loans currently assigned to the Center and designated exempt from Treasury Offset Program and verify that each of the obligors is exempt from referral to Treasury Offset Program, and if not, refer the obligors to Treasury Offset Program, as required.	09/16/2020	10/31/2023
20-20	09/30/2020	7	Review all loans currently assigned to the Center and designated as exempt from Treasury Cross-Servicing that are 180 days or more delinquent and verify that each of the obligors is exempt from transfer to Treasury Cross-Servicing, and if not, transfer the debt to Treasury Cross-Servicing, as required when the temporary suspension of debt collection activities due to COVID-19 is lifted.	09/16/2020	10/31/2023
20-20	09/30/2020	8	Establish policies and procedures to require routine follow-up on delinquent loans to ensure full compliance with the Debt Collection Improvement Act.	09/16/2020	10/06/2023
20-20	09/30/2020	9	Reiterate the requirements for workout agreements to responsible personnel to ensure compliance with the Debt Collection Improvement Act.	09/16/2020	10/31/2023
21-02	10/28/2020	1	Review all loans that had a bank account number changed from that shown on the original application to determine if the changes were legitimate or fraudulent. If not legitimate, work to recover the funds, deobligate any undisbursed funds, and refer to the OIG.	12/8/2020	09/29/2023

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

21-02	10/28/2020	3	Review duplicate loans to Internet Protocol addresses, email addresses, business addresses, and bank accounts to determine if there are undisbursed funds that should be suspended until the duplicate loans are assessed for eligibility.	12/8/2020	09/29/2023
21-02	10/28/2020	6	Strengthen data integrity to make it possible to determine if the inaccurate information allowed loans to be made to ineligible entities and to strengthen SBA's ability to service loans appropriately.	08/10/2021	09/29/2023
21-07	01/14/2021	1	Review the loans identified as potentially ineligible to determine if the businesses met eligibility requirements. If not, take appropriate action related to loan guaranty and forgiveness.	01/14/2021	10/31/2023
21-08	02/03/2021	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	10/13/2023
21-08	02/03/2021	2	Ensure that vendors used to provide foreclosure and real estate services are registered in SAM, as required.	02/01/2021	10/13/2023
21-08	02/03/2021	3	Ratify the over \$10.8 million in payments in accordance with the FAR and 48C.F.R. § 1.602-3.	02/02/2023	12/15/2023
21-09	03/15/2021	1	Review the OIG identified potential duplicate disbursements for eligibility and take action to recover any improper payments as applicable.	03/31/2021	09/29/2023

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

21-14	05/04/2021	1	Implement financial oversight procedures for the Women’s Business Center (WBC) program that ensure the program office enforces WBC cooperative agreement requirements. Program officials should ensure WBCs use federal funds only for allowable, allocable, and reasonable expenses, adhere to contract award procedures, and separate project costs by funding source.	05/04/2021	01/10/2024
21-14	05/04/2021	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	09/29/2024
21-14	05/04/2021	3	Recover \$31,215 for improperly awarded contracts and \$31,424 in unallowable or unallocable expenses.	05/04/2021	09/29/2024
21-14	05/04/2021	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	01/10/2024
21-14	05/04/2021	5	Establish policies holding program officials accountable for promptly following up on financial examination results and enforcing cooperative agreement requirements.	05/04/2021	01/10/2024

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

21-14	05/04/2021	6	Require higher-level reviewers to clearly justify and document approving or denying disbursement of funds if the decisions differ from the recommendations of lower-level reviewers; justification documentation should be kept in the official cooperative agreement file.	05/04/2021	01/10/2024
21-14	05/04/2021	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	09/29/2024
21-14	05/04/2021	8	Require program officials to enforce the cooperative agreement terms and conditions and deobligate or withhold payments if WBCs do not submit accurate financial reports on time.	05/04/2021	01/10/2024
22-01	10/07/2021	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.	10/04/2021	12/15/2023
22-04	11/8/2021	2	KPMG recommends the Administrator coordinate with the Associate Administrator for Disaster Assistance to enforce that documentation is maintained to evidence changes to a loan and ensure that awarding actions are entered into the source systems in a timely manner.	09/01/2022	09/30/2023

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

22-06	11/30/2021	2	Use Treasury’s DNP analysis to systemically flag COVID-19 EIDL and Emergency EIDL grant recipients who were found in Treasury’s DNP system and not previously reported by OIG. Review the applications and determine whether they are deemed ineligible. If the applicant is deemed ineligible, recover any disbursed funds, and flag the application as ineligible.	11/30/2021	10/30/2023
22-06	11/30/2021	3	For all COVID-19 EIDLs and Emergency EIDL grants identified and flagged as potentially ineligible above, include those transactions in SBA’s 2021 improper payments estimation process.	02/02/2023	12/29/2023
22-08	02/14/2022	1	Implement a standard process to approve initial business plans and monitor to ensure that business plans are reviewed annually, to include appropriate updates for specific targets, objectives, and goals for the business development of program participants, in accordance with 13 CFR 124.403(a) and section 7(j)(10)(D) of the Small Business Act.	11/10/2022	12/29/2023
22-08	02/14/2022	3	Establish outcome-based performance goals and measurements to assess whether the program achieved business development objectives, including the number of graduated 8(a) firms in accordance with the measure of success in section 101(b)(2) of the Business Opportunity Development Reform Act of 1988.	12/14/2022	12/29/2023

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

22-08	02/14/2022	5	Implement a process to ensure the systematic collection of accurate and complete data on program results and operations to make sure all program reporting requirements are met, in accordance with section 7(j)(16)(A) of the Small Business Act and Standards for Internal Control in the Federal Government Principles for Information and Communication.	11/10/2022	12/29/2023
22-08	02/14/2022	6	Implement requirements for management to monitor that Business Opportunity Specialists consistently assess program participant's development needs, counsel participants, conduct annual field visits, and maintain required documentation, as required by standard operating procedures.	11/10/2022	12/29/2023
22-11	04/28/2022	2	Ensure the continuity of operations plan is tested annually, as required by Federal Continuity Directive 1.	04/29/2022	08/30/2024
22-13	05/26/2022	1	Establish clearly defined and detailed roles, responsibilities, and processes for all SBA offices and officials responsible for managing and handling potentially fraudulent PPP loans to reduce the risk of ineligible applicants receiving PPP forgiveness and the risk of fraud and financial loss in the PPP and when implementing similar future programs.	06/03/2022	12/29/2023

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

22-13	05/26/2022	2	Provide lenders formal guidance to effectively and consistently handle potentially fraudulent PPP loans and ensure lenders have sufficient guidance when implementing similar future programs.	06/03/2022	12/29/2023
22-17	09/12/2022	1	Thoroughly review each COVID-19 EIDL, grant, and advance application submitted from foreign IP addresses that were approved and funded and verify eligibility. If ineligibility or evidence of potential fraud is found, SBA should stop any further or future disbursements, recover any disbursed funds, and refer fraudulent loans to OIG for investigation.	10/06/2022	10/31/2023
22-17	09/12/2022	2	Examine controls related to foreign IP addresses and ensure these controls are more effective in future disaster processing systems.	10/06/2022	10/31/2023
22-21	09/26/2022	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.	—	—
22-19	09/27/2022	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	06/03/2024

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

22-19	09/27/2022	10	Implement an automated process to document and monitor system changes as recommended by NIST SP 800-53 Rev. 5.	11/09/2022	07/31/2024
22-19	09/27/2022	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	11/24/2023
22-19	09/27/2022	3	Implement in updated agency guidance, the requirements of OMB Circular No. A-123 that stipulate a SOC 1 Type 2 report is needed for all new and existing financial systems. This guidance should also require confirmation at least annually that the controls are functioning as designed.	11/23/2022	06/03/2024
22-19	09/27/2022	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	06/17/2024
22-19	09/27/2022	6	Complete an initial assessment and authorization for each information system and all agency-designated common controls before operation.	11/08/2022	12/15/2023

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

22-19	09/27/2022	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	07/31/2024
22-19	09/27/2022	8	Review and update POA&Ms at least quarterly as required by SOP 90 47 6.	11/09/2022	07/31/2024
22-22	09/29/2022	1	Review the 20 loans identified in this report as ineligible for the COVID-19 EIDL that the applicants received and recover approximately \$2 million improperly disbursed to the applicants.	11/09/2022	09/30/2023
22-22	09/29/2022	2	Review the COVID-19 EIDL disbursements with suspect Taxpayer Identification Numbers made after December 27, 2020 to determine if the loan file contains conclusive evidence that the applicant business existed on January 31, 2020 and therefore, met the CARES Act eligibility requirements. If not, flag the borrower as ineligible and recover the funds.	11/09/2022	09/30/2023
22-20	09/29/2022	6	Develop standard operating procedures to ensure program officials assess third-party certifications, establish a risk-based sampling plan for selecting files to review, and document the results of the compliance reviews.	09/29/2022	06/30/2023

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

22-25	09/30/2022	2	Explore alternative means of collections for PPP loans with an outstanding balance of \$100,000 or less.	—	—
22-25	09/30/2022	3	Conduct an initial and periodic cost benefit analysis on PPP purchase guarantees with comprehensive estimates to sufficiently assess whether the cost of collecting loans of \$100,000 or less is more than the recovery amount and pursue collections based on results of the analysis.	12/07/2022	10/31/2023
23-02	11/15/2022	10	Develop and document an effective funds recovery plan and controls to ensure funds disbursed to ineligible recipients as part of the purchases review process are recovered and reported accurately in a timely manner.	01/18/2023	12/15/2023
23-02	11/15/2022	14	Develop and document an effective funds recovery plan and controls to ensure funds disbursed to ineligible recipients as part of the COVID-19 EIDLs review process are recovered and reported accurately in a timely manner.	12/16/2022	12/15/2023
23-02	11/15/2022	15	Assess the accounting considerations, based on the results of the review process for COVID-19EIDLs, including the impact on the consolidated financial statements, and record any necessary adjustments for transactions determined not to be in conformance with the CARES Act and related legislation.	12/09/2022	09/29/2023

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

23-02	11/15/2022	29	Perform and document a thorough risk assessment at the financial statement assertion level to identify process level risks and communicate the results to relevant program offices.	12/09/2022	09/01/2023
23-02	11/15/2022	30	In conjunction with relevant program offices, assess the effectiveness of key process level controls to respond to the identified risks.	12/09/2022	09/01/2023
23-02	11/15/2022	31	In conjunction with relevant program offices, develop and implement processes to ensure the timely completion of the testing and monitoring of the design, implementation, and operating effectiveness of key, relevant controls that affect financial reporting and compliance with relevant laws and regulations.	12/09/2022	09/01/2023
23-02	11/15/2022	39	Update the risk assessment regarding the evaluation of internal controls to ensure it includes all significant programs, key processes, and other material line items on the consolidated financial statements.	12/09/2022	09/01/2023
23-02	11/15/2022	40	In conjunction with relevant program offices, perform and document the internal control evaluation over all programs. This should include entity level controls, manual controls, general information technology controls, and system application controls covering key financial statement line items and risks.	12/09/2022	10/31/2023

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

23-02	11/15/2022	41	Update the existing policy and implement adequate controls to ensure that the statement of assurances provided by the program offices are adequately documented and reviewed for completeness and accuracy to provide a sufficient basis to support the Administrator’s statement of assurance.	12/09/2022	10/31/2023
23-02	11/15/2022	42	Address the control deficiencies over transactions arising from the implementation of the CARES Act and related legislation by working with the Office of Capital Access and the Office of Disaster Assistance to implement the recommendations in Appendix I – Material Weaknesses.	12/09/2022	10/31/2023
23-02	11/15/2022	5	Develop and enforce a policy and controls that require the adequate review, validation, and monitoring of the outputs of the case management system and maintenance of documentation evidencing the review.	12/16/2022	09/29/2023
23-02	11/15/2022	8	Develop and document an effective funds recovery plan and controls to ensure funds disbursed to ineligible recipients as part of the forgiveness review process are recovered and reported accurately in a timely manner.	1/18/2023	12/15/2023
23-03	12/13/2022	1	Design and implement a quality assurance program to ensure that SBA system hardware inventory is maintained as required by the National Institute of Standards and Technology (NIST) Special Publication 800-53.	12/16/2022	07/01/2024

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

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	04/01/2024
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	07/31/2024
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	07/31/2024

Significant Recommendations from this Reporting Period

Report Number	Date Issued	Title	Recommendation Number	Recommendation
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	1	Enhance existing procedures using the framework in GAO'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/activities and the related risk factors are appropriately considered to meet PIIA reporting objectives.
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	2	Provide training to responsible staff involved in the payment integrity reporting process regarding the updates to existing procedures.
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	3	Communicate with OMB to ensure accurate input of improper payment data and documentation in the accompanying materials related to the payment integrity data call process.
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	5	Collaborate with the responsible staff involved in the payment integrity reporting process to ensure timely and complete reconciliations are performed on the populations subject to sampling for improper payment reviews.
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	6	Formally document and implement appropriate preventative and monitoring controls prior to approval of 7(a) loan guaranty purchases.
23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	7	Exercise effective management review controls over the statistician's work 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.

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

23-07	5/15/2023	Independent Auditors' Report on SBA's FY 2022 Compliance with the PII Act of 2019	8	Design and document adequate review procedures to ensure that the results of the sample meet the PIIA objectives.
23-10	7/5/2023	SBA's Administrative Process to Address Potentially Fraudulent RRF Awards	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.
23-11	7/26/2023	SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs	1	Establish and implement policies and procedures on how to use appropriate analysis techniques when determining prices are fair and reasonable when GSA scheduled list prices and rates are adjusted, in accordance with FAR Part 8.
23-11	7/26/2023	SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs	2	Establish and implement policies and procedures to document discount requests for applicable call orders to ensure all possible volume order discounts and changing market conditions are considered at the time of each order, in accordance with FAR 8.405.
23-11	7/26/2023	SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs	3	Determine the total additional amount paid to Highlight Technologies LLC due to using Washington, D.C. labor rates and pursue any applicable remedies to recover costs.
23-11	7/26/2023	SBA's Awards for Staffing Support for COVID-19 Economic Relief Loan Programs	4	Evaluate all call orders issued under the Highlight blanket purchase agreement for compliance with the Limitation on Subcontracting Rule per 13 CFR § 125.6 and pursue any applicable remedies.
23-15	9/29/2023	SBA's Oversight of Restaurant Revitalization Fund (RRF) Recipients	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.

23-15	9/29/2023	SBA's Oversight of Restaurant Revitalization Fund Recipients	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.
23-15	9/29/2023	SBA's Oversight of Restaurant Revitalization Fund Recipients	3	Extend the record retention period and notify all RRF award recipients in writing in accordance with 2 CFR 200.334.
23-15	9/29/2023	SBA's Oversight of Restaurant Revitalization Fund Recipients	4	Assess the post-award review process and manpower requirements to ensure post-award reviews are conducted in a prompt manner. Use the results of the assessment to improve processing times to ensure reviews are completed before the statute of limitations expire.
23-15	9/29/2023	SBA's Oversight of Restaurant Revitalization Fund Recipients	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.
23-16	9/29/2023	Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	1	Perform a comprehensive cost-benefit analysis, consistent with federal regulations, to include periodic comparisons of costs incurred and amounts collected on the portfolio of COVID-19 EIDLs of \$100,000 or less to assess whether collection costs exceed recovery amounts.
23-16	9/29/2023	Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	2	Reevaluate and amend as appropriate the April 27, 2022 decision to end active collections contingent on the outcome of the more comprehensive cost-benefit analysis.
23-16	9/29/2023	Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	3	Ensure SBA does not end active collections pursuant to the April 27, 2022 decision on any COVID-19 EIDL of \$100,000 or less made to borrowers who received multiple COVID-19 EIDLs that, when combined, exceed \$100,000.

23-16	9/29/2023	Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	4	Ensure SBA does not end active collections on any COVID-19 EIDL that appears to be fraudulent, false, or misrepresented, including loans identified as such by OIG or other federal oversight entities, without 1) reviewing the loan application for fraud and 2) attempting active collection, at a minimum, regardless of the outcome of a comprehensive cost-benefit analysis.
23-16	9/29/2023	Ending Active Collections on Delinquent COVID-19 Economic Injury Disaster Loans	5	Evaluate the COVID-19 EIDL portfolio, in collaboration with Treasury, to determine if selling the portfolio, including delinquent loans of \$100,000 or less, is in the best interest of the government.

Significant Management Decisions with which OIG Disagrees

There were two significant management decisions OIG disagreed with during this reporting period regarding *SBA’s Implementation of the Women-Owned Small Business Certification Program* ([Report 22-20](#)), September 29, 2022.

Summary: SBA’s Audit Follow Up Official determined management would not implement OIG’s recommendations 1 and 2. For recommendation 1, the agency would update and implement standard operating procedures to ensure consistent eligibility reviews comply with program requirements in 13 CFR 127.300. For recommendation 2, the agency would update application instructions and require applicants to submit documentation for program officials to verify that the business meets small business standards. SBA disagreed with OIG’s interpretation that the 2015 National Defense Authorization Act required SBA to verify that the business was small in addition to the requirement that the business be owned and controlled by a woman.

The Audit Follow-Up Official decided the agency would continue to allow applicants to self-certify that the business met size standards. While OIG believes that removing self-certification from the WOSB program is essential to reducing the risk, OIG will not take further action and has closed the recommendation.

Significant Revised Management Decisions

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

Federal Financial Management Improvement Act of 1996

Our independent auditors, KPMG, reported that the results of the 2022 financial statement audit found that based on identified control weaknesses SBA’s financial systems did not enable accurate

financial reporting and budgetary resources to be adequately safeguarded. Moreover, KPMG found SBA's financial systems were found to be noncompliant with applicable federal accounting standards, specifically in the RRF and the SVOG program areas.

Instances of Interference

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

Appendix D: Investigations Reporting Statistics

Investigative Reports Issued

Report Type	Number of Reports
Report of Investigation	135
Preliminary Case Closing Reports of Investigation	2
Total	137

Persons Referred for Prosecution

Referred to	Number of Persons
Department of Justice	66
State Attorney	1
Local Attorney	1
Total	68

Number includes persons and entities referred for prosecution

Pandemic-Related Investigative Statistics

SBA OIG	Investigations	Indict/Complaint	Arrests	Convictions
PPP/EIDL/SV/RFF*	115	230	199	88
Investment Fraud	15	21	18	13
Total	130	251	217	91

*PPP stands for Paycheck Protection Program. EIDL stands for Economic Injury Disaster Loan. RFF stands for Restaurant Revitalization Fund

Whistleblower Retaliation Cases

There were no OIG investigations involving whistleblower retaliation during the reporting period.

Investigations Involving a Senior Government Employee Where 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 E: Legal Actions Summary

April 1, 2023 – September 30, 2023

State	Program	Jointly With	Alleged Violation(s) Prosecuted	Legal Action
NM	BL	FBI	Subjects submitted multiple fraudulent PPP loan applications, including falsified supporting documentation, for companies they owned and/or controlled totaling over \$1.5 million in PPP funds.	Individual 1 was sentenced to 41 months incarceration and 2 years of supervised release. Individual 2 was sentenced to 12 months incarceration and 3 years supervised release. They were ordered to pay \$1.4 million in restitution.
MO	DL	FBI, SSA/OIG	Subjects defrauded SBA and financial institutions for over \$1.7 million in EIDLs. They misused proceeds for personal use, such as gambling and vacations.	Individual 1 was sentenced to 65 months incarceration and 5 years of supervised release. Individual 2 was sentenced to 3 years supervised release. They were ordered to pay \$742,000 in restitution.
MO	DL	FRB, FDIC/OIG	As part of the scheme, subject submitted multiple fraudulent PPP and EIDL loan applications. Subject successfully obtained over \$50,000 in fraudulent funds. Subject submitted falsified bank records and fake employee information.	Individual 1 was sentenced to 1 year of supervised release. Individual 2 was sentenced to 2 years supervised release. They were ordered to pay \$20,000 in restitution.

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

TX	BL	FBI	Individual made material misrepresentations to a financial institution to gain approval for PPP loans and obtained over \$3.3 million by using false business operations and providing materially false information on loan applications.	Individual was sentenced to 78 months incarceration, 3 years of supervised release, and ordered to pay \$3 million in restitution.
LA	BL/DL	IRS/CI	Individual defrauded and conspired to submitted PPP loans and EIDLs securing over \$1.1 million by using false business operations and providing materially false information on loan applications.	Individual was sentenced to 120 months incarceration, 3 years of supervised release, and ordered to pay \$1.1 million in restitution.
TX	BL	TIGTA	Subject made false statement in the attempt to obtain over \$200,000. Subject made several false statements and manipulated bank statements within the application.	Individual was sentenced to 5 years of supervised release and ordered to pay \$200,000 in restitution.
MI	BL/DL	FBI, IRS/CI, TIGTA	Individual submitted more than 15 fraudulent PPP and 26 EIDL applications resulting in over \$15 million, obtaining \$90,000.	Individual was sentenced to 21 months incarceration, 2 years supervised release, and ordered to pay \$90,000 in restitution.

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

TX	DL	FBI, TIGTA	Subjects defrauded the SBA and financial institutions for over \$12.3 million in EIDLs.	Individual 1 was sentenced to 62 months incarceration and 5 years of supervised release. Individual 2 was sentenced to 24 months incarceration and 3 years supervised release. Individual 3 was sentenced to 12 months incarceration and 5 years of supervised release. They were ordered to pay \$12.5 million in restitution.
OH	DL/BL	FBI, IRS/CI, TIGTA	Subject devised a scheme and applied for over \$7.7 million in PPP and EIDLs, misrepresenting the number of employees and payroll expenses.	Individual was sentenced to 33 months incarceration, 3 years supervised release, and ordered to pay \$7.7 million in restitution.
OK	DL	FRB	Individual made multiple false statements and obtained over \$195,000 in EIDLs.	Individual was sentenced to 6 months in home confinement and ordered to pay \$225,000 in restitution.
MI	BL	FBI, TIGTA	Subject submitted a PPP application seeking over \$150,000 in COVID-19 relief funds.	Subject was sentenced to 1 month incarceration and 5 years supervised release. Individual was ordered to pay \$126,000 in restitution.
WI	DL	FBI, IRS/CI	Subject devised a scheme and applied for fraudulent EIDLs which resulted in over \$100,000 in loss to SBA.	Subject was sentenced to 3 months incarceration, 3 years supervised release, and was ordered to pay \$109,733 in restitution.

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

TX	GC	FBI, Army CID	Subjects falsified information provided to SBA during a protest of an Army contract. They misrepresented information provided to the SBA's HUBZone Program, which allowed them to remain qualified as a HUBZone business for awarding the contract. The company was paid a total of \$15 million in performance of eight military contracts.	Individual 1 was sentenced to 24 months incarceration and 2 years of supervised release. Individual 2 was sentenced to months incarceration and 2 years supervised release. They were ordered to pay \$350,000 in restitution.
IL	BL	FBI	Individual made material misrepresentations to a financial institution and filed eight fraudulent loan applications seeking more than \$1.5 million in PPP loans.	Individual was sentenced to 66 months incarceration, 4 years of supervised release, and ordered to pay \$1.5 million in restitution.
AR	BL	FRB, TIGTA	Subject submitted a PPP application seeking over \$20,790 in COVID-19 relief funds.	Subject was sentenced to 6 months of incarceration, 36 months of supervised release, and was ordered to pay \$20,790 in restitution.
FL	DL	FBI, USSS	Individual made multiple false statements and obtained over \$750,000 in EIDLs.	Subject was sentenced to 78 months incarceration and 3 years of supervised release and was ordered to pay \$734,500 in restitution.

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

FL	BL	FBI, FDIC/OIG	Subjects submitted false and fraudulent PPP applications and received over \$1.2 million. They made lavish personal purchases on vacation rentals.	Individual 1 was sentenced to 36 months incarceration and 5 years of supervised release. Individual 2 was sentenced to 48 months incarceration and 3 years supervised release. Individual 3 was sentenced to 15 months incarceration and 5 years of supervised release. They were ordered to pay \$6.8 million in restitution.
FL	BL	FBI, DHS/ OIG, IRS/CI, USSS	Individual submitted false and fraudulent PPP applications and received over \$3.8 million.	Individual was sentenced to 50 months incarceration, 3 years of supervised release, and ordered to pay \$3.8 million in restitution.
GA	BL	FBI, IRS/CI, US PIS	Individual made false assertions and certifications concerning EIDL benefits and obtained over \$4.4 million fraudulently.	Individual was sentenced to 38 months incarceration, 3 years of supervised release, and ordered to pay \$4.4 million in restitution.
FL	BL	FDIC/OIG, FBI	Subject conspired with others and submitted false statement and fraudulently applied for 80 PPP loans resulting in over \$1.3 million in disbursements.	Subject was sentenced to 48 months incarceration, 3 years of supervised release, and ordered to pay \$1.3 million in restitution.

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

AL	BL	FBI	Subjects conspired with others and submitted false statement and fraudulently applied for PPP resulting in over \$123,000 in disbursements.	Individual 1 was sentenced to 1 month incarceration and 5 years of supervised release. Individual 2 was sentenced to 1 month incarceration and 5 years supervised release. Individual 3 was sentenced to 18 months incarceration and 5 years of supervised release. They were ordered to pay \$123,799 in restitution.
FL	DL	IRS/CI, USSS	Subject submitted a PPP application seeking over \$800,000 in COVID-19 relief funds.	Subject was sentenced to 12 months incarceration, 3 years supervised release and ordered to pay \$840,827 in restitution.
TX	GC	GSA/OIG, VA/OIG, Army/CID	Subjects participated in a fraud scheme and conspired to operate companies with straw owners who qualified as socially and economically disadvantaged service-disabled veterans who did not actually control the companies.	Subject 1 was sentenced to 27 months of incarceration, 5 years supervised release. Subject 2 was sentenced 2 years of probation. They were ordered to pay \$1.7 million in restitution
CA	DL	FBI, FDIC/OIG	As part of the scheme, subject submitted multiple fraudulent PPP and EIDL applications. Subject successfully obtained over \$327,000 in fraudulent funds.	Subject was sentenced to 15 months incarceration, 3 years of supervised release and ordered to pay \$327,594 in restitution.

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

CA	BL	FBI, FDIC/OIG, TIGTA	Subject submitted false and fraudulent PPP applications and received over \$3 million dollars in loan proceeds.	Subject was sentenced to 135 months incarceration, 5 years of supervised release, and ordered to pay \$3 million in restitution.
CA	GC	FBI	Individual directed the straw borrower to apply for an SBA loan in the amount of \$280,000 for the acquisition.	Individual was sentenced to 2 years of probation and ordered to pay \$262,000 in restitution.
CA	BL	FBI	Individual made false statements and fraudulently applied for eight PPP loans for more than \$3.8 million.	Individual was sentenced to 48 months incarceration, 3 years of supervised release, and ordered to pay \$3.4 million in restitution.
FL	BL	USSS	Subject submitted false and fraudulent PPP applications and received over \$2.8 million in loan proceeds.	Subject was sentenced to 30 months incarceration, 5 years of supervised release, and ordered to pay \$2.8 million in restitution.
NY	DL/BL	FBI	Subject made multiple false statements and attempted to obtain multiple PPP and EIDLs over \$2.2 million.	Subject 1 was sentenced to 24 months incarceration, 2 years of supervised release. Subject 2 was sentenced to 6 months incarceration, 1 years of supervised release. Subjects 3-9 sentenced to 2 years of supervised release. They were ordered to pay \$2 million in restitution.

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

GA	BL	FBI, FDIC/OIG TIGTA	Subject conspired with others and submitted false statement and fraudulently applied for 80 PPP loans and resulting in over \$4.4 million in disbursements.	Subject was sentenced to 87 months incarceration, 5 years of supervised release, and ordered to pay \$4.4 million in restitution.
GA	DL/BL	FBI	Individual submitted false and fraudulent PPP applications and received over \$120,000 in loan proceeds.	Individual was sentenced to 24 months incarceration, 3 years of supervised release, and ordered to pay \$122,300 in restitution.
NY	BL	FRB, IRS/CI	Individual attempted to defraud the government of over \$71 million. Individual misused proceeds for personal use, purchasing a villa in the Dominican Republic, a mansion in New Jersey, and several luxury vehicles.	Individual was sentenced to 54 months incarceration, 3 years of supervised release, and ordered to pay \$71 million in restitution.
OR	DL	FBI	Individual created fraudulent documents, businesses, and false identities to receive over \$523,000 in loans.	Subject was sentenced to 33 months incarceration, 3 years of supervised release, and ordered to pay \$523,000 in restitution.
CA	BL	DHS/OIG	Subject conspired with others and submitted false statements and fraudulently applied for multiple PPP loans resulting in over \$2.2 million in disbursements.	Subject was sentenced to 63 months incarceration, 3 years of supervised release, and ordered to pay \$2.8 million in restitution.

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

CA	BL/DL	FBI	Subject made multiple false statements and attempted to obtain multiple PPP and EIDLs over \$1.7 million dollars.	Subject was sentenced to 49 months incarceration, 5 years of supervised release, and ordered to pay \$1.7 million in restitution.
CA	DL	FBI, TIGTA	Subject made multiple false statements and attempted to obtain an EIDLs over \$1 million. Subject used the proceeds to purchase jewelry, watches, precious metals and stones.	Subject was sentenced to 100 months incarceration, 60 years of supervised release, and ordered to pay \$1 million in restitution.
CO	DL	FBI	Subject submitted fraudulent EIDL applications and obtained over \$2.3 million.	Subject was sentenced to 240 months incarceration, 2 years of supervised release, and ordered to pay \$2.3 million in restitution.
NV	BL	FBI, IRS/CI	Subject submitted fraudulent EIDL applications and obtained over \$45,000 in CARES Act funds.	Subject was sentenced to 3 months incarceration, 3 years of supervised release, and ordered to pay \$46,900 in restitution.
OR	DL	FBI, TIGTA	Individual provided false information to the banks about his businesses and personal income.	Individual was sentenced to 8 months incarceration, 3 years supervised release, and ordered to pay \$23,900 in restitution.
CA	BL/DL	FRB, IRS/CI	Individual attempted to defraud the government with multiple PPP and EIDL loans over \$600,000.	Individual was sentenced to 40 months incarceration, 3 years of supervised release, and ordered to pay \$643,776 in restitution.

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

CA	BL	FBI	Subject submitted false information about his employment as an independent contractor and revenue.	Individual was sentenced to 15 months of incarceration, 36 months of supervised release, and was ordered to pay \$337,267 in restitution.
FL	DL	IRS/CI	Subject submitted a PPP application seeking over \$593,000 in COVID-19 relief funds.	Subject was sentenced to 12 months incarceration, 5 years of supervised release, and ordered to pay \$593,151 in restitution.
OR	DL	FBI, TIGTA	Individual created fraudulent documents, businesses, and false identities and attempted to receive over \$1.3 million in loan proceeds.	Subject was sentenced to 60 months incarceration, 3 years of supervised release, and ordered to pay \$1.3 million in restitution.
OR	BL	TIGTA, FBI	Subject submitted false information about his employment as an independent contractor and revenue.	Subject was sentenced to 18 months of probation and was ordered to pay \$18,750 in restitution.
AL	DL	USSS	Subject made multiple false statements and attempted to obtain an EIDL over \$20,000.	Subject was sentenced to 48 months incarceration, 5 years of supervised release, and ordered to pay \$23,333 in restitution.
OR	DL	FBI, TIGTA	As part of the scheme, subject submitted fraudulent EIDL applications and obtained over \$1.3 million in CARES Act funds.	Subject was sentenced to 70 months incarceration, 3 years of supervised release, and order to pay \$1.3 million in restitution.

Table Notes:

Legal Actions Summary Program Codes

BL.....Business Loans

DL.....Disaster Loans

GC.....Government Contracting and Section 8(a) Business Development

IA.....Internal Affairs

OT.....Other

Joint-investigation Agency Acronyms

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 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 Justice Office of Inspector General (DOJ/OIG)

Department of Justice Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

Department of State Office of Inspector General (DOS/OIG)

Department of Transportation Office of Inspector General (DOT/OIG)

Department of Treasury Inspector General for Tax Administration (TIGTA)

Department of Treasury Special Inspector General for the Troubled Asset Relief Program (SIGTARP)

Department of Veterans Affairs Office of Inspector General (VA/OIG)

Federal Bureau of Investigation (FBI)

Federal Deposit Insurance Corporation Office of Inspector General (FDIC/OIG)

Federal Housing Finance Agency Office of Inspector General (FHFA/OIG)

Federal Reserve Board Office of Inspector General (FRB/OIG)

General Services Administration Office of Inspector General (GSA/OIG)

Internal Revenue Service – Criminal Investigation (IRS/CI)

National Aeronautics and Space Administration Office of Inspector General (NASA/OIG)

State of California Employment Development Department (State of CA/EDD)

United States Airforce Office of Special Investigations (AFOSI)

United States Army/Criminal Investigation Division (Army/CID)

United States Department of Agriculture Office of Inspector General (USDA/OIG)

United States Naval Criminal Investigative Service (NCIS)

United States Postal Inspection Service (USPIS)

United States Secret Service (USSS)

Appendix F: Cosponsored and Other Activities

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

Name/Subject of Event	Name of Cosponsor(s)	Event Location	Date Fully Executed
Supporting Pandemic Affected Community Enterprises (SPACE) Grant Info Session and SBA Meet & Greet	Massachusetts District Office — City of Boston Mayor's Office of Economic Opportunity & Inclusion	Boston, MA	September 27, 2023
Outreach and Education Series	HQ/Office of International Trade — America’s Small Business Development Centers, National Customs Brokers & Forwarders Association of America	Virtual	September 19, 2023
Small Business Saturday 2023	HQ Office of Communications and Public Liaison — American Express Travel Related Services Company Inc., Women Impacting Public Policy Inc.	Nationwide	September 13, 2023
Business Health Information Conference: Keep Your Small Business Healthy & Strong!	Baltimore District Office — Maryland Health Benefit Exchange	Virtual	September 12, 2023
Meet Lenders – Mass Bankers & SBA	Massachusetts District Office — Massachusetts Bankers Association	Virtual	August 22, 2023
South Dekalb Pop Up Business Incubator	Georgia District Office — Decide Dekalb Development Authority, New Life Community Alliance	Decatur, GA	August 14, 2023
Doing Business with the Federal Government Training Series	Wyoming District Office — Wyoming APEX Accelerator (formerly known as Wyoming PTAC)	Virtual, Wyoming Statewide	July 28, 2023
Spirit of Small Business Awards	Los Angeles District Office — Pacific Coast Business Times	Santa Barbara, CA	July 24, 2023
Small Business Connection Counseling and Training	Hawaii District Office — City and County of Honolulu Office of Economic Revitalization	Oahu, HI	July 13, 2023

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

12th Annual Building Resilience Through Private-Public Partnerships Conference	HQ/Office of Disaster Assistance — U.S. Chamber of Commerce Foundation	Washington, DC	July 11, 2023
Small Business Workshops	Rhode Island District Office — City of Providence, Department of Economic Development, Rhode Island Small Business Development Center, University of Rhode Island	Providence, RI	July 7, 2023
International Trade Education Series	HQ/Office of International Trade — International Trade & Forfeiting Association	Virtual	July 6, 2023
Building a Better America	HQ/Office of the Administrator, Public Engagement — Public Private Strategies Institute	12 Virtual 4 In person	June 15, 2023
United States SBA 70th Anniversary Small Business Awards Luncheon and Expo	Illinois District Office — Chicagoland Chamber of Commerce Foundation, SCORE Chicago, Illinois SBDC Department of Commerce and Economic Opportunity	Chicago, IL	May 25, 2023
SBA Military Spouse Entrepreneur Summit	HQ/Office of Veterans Business Development — U.S. Chamber of Commerce Foundation's Hiring Our Heroes	Virtual	May 22, 2023
SBA and NPHC National Engagement	HQ/Office of the Administrator — National Pan-Hellenic Council	Atlanta, GA with additional locations to be determined	May 22, 2023
AANHPI Economic Summits	HQ/Office of Field Operations — U.S. Department of Energy	Nationwide	May 16, 2023
AA & NHPI Connectivity Summit	Massachusetts District Office — Asian Community Fund at The Boston Foundation	Boston, MA	May 11, 2023
Export Education for Craft Brewers Webinar Series	HQ/Office of International Trade — Brewers Association, Virginia SBDC	Virtual	May 9, 2023
2023 Vermont Small Business Awards Ceremony	Vermont District Office — VermontBiz (Formerly Vermont Business Magazine)	Waterbury, VT	May 1, 2023

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

AA & NHPI Connectivity Summit	Massachusetts District Office — Asian Business Empowerment Council at The Boston Foundation, Massachusetts Asian Restaurant Association	Boston, MA	April 27, 2023
SBA Construction Lending Webinar	West Virginia District Office — iBusiness Funding, Strategic Banking Partners Inc., Partner Engineering and Science Inc.	Virtual	April 21, 2023
Trade Finance Education Series	HQ/Office of International Trade — Financial & International Business Association	Miami, FL	April 21, 2023
T.H.R.I.V.E Emerging Leaders Program	Kentucky District Office — Bellarmine University	Louisville KY	April 14, 2023
Small Business Week Breakfast and Awards Ceremony	Puerto Rico & Virgin Islands District Office — Puerto Rico Bankers Association	Carolina, PR	April 14, 2023
Small Business Week Awards Program	New Hampshire District Office — New Hampshire Bankers Association	Bedford, NH	April 7, 2023
National Small Business Week 2023	HQ/Office of Communications and Public Liaison — Meta/Facebook	Virtual/Nationwide	April 4, 2023
Federal Contract Opportunities for Food	PR & VI District Office & Government Contracting, Area I — Cámara de Mercadeo, Industria y Distribución de Alimentos, Centro Unido Detallistas de Puerto Rico, PRiMEX-Puerto Rico Manufacturing Extension Inc., PTAC/Apex Accelerator, Department of Economic Development and Commerce, Puerto Rico Manufacturers Association, Puerto Rico Minority Business Development Agency Business Center, Small Business Technology Development Center	San Germán, PR	April 4, 2023

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

National Small Business Week 2023	HQ/Office of Communications and Public Liaison — Chase	Virtual/Nationwide	April 3, 2023
National Small Business Week Awards Event	Hawaii District Office — Better Business Bureau, Great West and Pacific, Maui Chamber of Commerce	Honolulu, HI	April 2, 2023
National Small Business Week Congressional Breakfast and Salute to Small Business Awards Luncheon	Rhode Island District Office — Rhode Island Society of Certified Public Accountants	Pawtucket, RI, North Kingstown, RI	April 1, 2023

Appendix G: External Peer Reviews

Section 5(a) of the IG Act requires OIGs to report peer review results in the *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 Science Foundation OIG for the period ending March 31, 2021. SBA OIG received a peer review rating of pass.

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

Investigations Division

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

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

Appendix H: Office of Inspector General Reporting Requirements

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

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

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

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

Reporting Requirements in the Inspector General Act of 1978, As Amended

Section	Reporting Requirement	Location
4(a)(2)	Review of legislation and regulations	Other Significant OIG Activities
5(a)(1)	Significant problems, abuses, and deficiencies	Throughout
5(a)(2)	Recommendations with respect to significant problems, abuses, and deficiencies	Significant Recommendations from This Reporting Period
5(a)(3)	Prior significant recommendations on which corrective action has not been completed	Significant Recommendations from Prior Reporting Periods Without Final Action as of September 30, 2019
5(a)(4)	Matters referred to prosecutive authorities	Legal Actions Summary
5(a)(5)	Instances in which requested information was refused	N/A
5(a)(6)	List of audit, inspection, and evaluation reports	Reports Issued; Reports with Questioned Costs
5(a)(7)	Significant reports	Throughout
5(a)(8)	Audit, inspection, and evaluation statistical tables	Statistical Highlights
5(a)(9)	Audit, inspection, and evaluation reports with recommendations that funds be put to better use	Reports with Recommendations That Funds Be Put to Better Use

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

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

Make a Difference

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

Visit our [OIG Hotline website](#).

Write or visit:

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

*In accordance with Sections 7 and 8L(b)(2)(B) of the Inspector General's Act, confidentiality of a complainant's personally identifying information is mandatory, absent express consent by the complainant authorizing the release of such information.