

**U.S. Small Business Administration  
Office of Inspector General  
FY 2023 Congressional Budget Justification**



**March 2022**

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## Overview

The U.S. Small Business Administration (SBA) Office of Inspector General (OIG) provides auditing, investigative, and other services to support and assist SBA in achieving its mission. As a result of its oversight efforts, OIG provides dozens of recommendations each year to SBA leadership aimed at improving the integrity, accountability, and performance of SBA and its programs for the benefit of the American people. Similarly, OIG's investigative efforts result in dozens of convictions and indictments as we pursue evidence of fraud in SBA programs. OIG provides taxpayers with a significant return on investment as it roots out fraud, waste, and abuse in SBA programs. During fiscal year (FY) 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayers. The monetary recoveries and savings from our oversight of SBA's pandemic response efforts in FY 2021 were exponential at \$4.2 billion, with Congress investing just \$50 million, which is available until expended, in supplementing OIG's annual budget to combat the fraud in the pandemic relief programs and promote integrity, efficiency, and effectiveness within the same.

OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program.

The mission of 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 2018–2022 has four core strategic goals:

- Support small business revenue and job growth;
- Build healthy entrepreneurial ecosystems and create business friendly environments;
- Restore small businesses and communities after disasters; and
- Strengthen SBA's ability to serve small businesses.

SBA is organized around four key functional assistance areas: financial, certification for federal contracting, entrepreneurial development, and disaster assistance. The Agency also represents small businesses through an independent advocate and an ombudsman.

SBA programs are essential in strengthening America's economy; however, the Agency faces a number of challenges in carrying out its mission. Chief among its challenges has been delivering assistance to mitigate economic damage caused by the pandemic. The Agency must also identify and mitigate fraudulent schemes affecting all SBA programs. Other challenges: significant losses from defaulted loans, procurement flaws that allow large firms to obtain small business awards, excessive improper payments, and outdated legacy information systems. 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 fraud, waste, abuse, and inefficiencies in SBA programs and operations.

#### *Proposed Increases and Baseline Budget*

OIG's FY 2021 base operating budget is \$21.9 million, with an additional \$1.6 million transferred to OIG from SBA's Indirect Disaster Assistance Program account for oversight of SBA's Disaster Assistance Program. The baseline budget provides resources to oversee SBA's programs and operations. Approximately 88 percent of OIG's budget is allocated to personnel costs associated with salaries and benefits. As such, OIG's staffing levels can be disproportionately affected by cost increases in this category as increased salary and benefit costs directly affect full-time equivalent (FTE) staffing levels. An additional 10 percent of OIG's budget is allocated as a required cost to address the mandated, annual financial statement audit.

OIG faces a historic challenge as it oversees SBA's role in the nation's pandemic response. Congress recognizes the need for oversight and sees the value of OIG in performing this necessary and vital function. The Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriated \$25 million to OIG; the Consolidated Appropriations Act, 2021 made available \$20 million to OIG for oversight of the Economic Injury Disaster Loan (EIDL) program; and \$25 million was appropriated to OIG to supplement its resources pursuant to the American Rescue Plan Act of 2021 (ARPA). With the rescission of the OIG's \$20 million supplemental funds as part of the broader rescission of EIDL Target Advance Funding, pursuant to P.L. 117-58 - Investing in a New Vision for the Environment and Surface Transportation in America Act, a significant portion of our remaining supplemental funds now will be exhausted by the end of FY 2024, which will coincide with hundreds of billions of dollars in EIDL loans coming due for payment.

SBA has exercised over a trillion dollars in lending authority and entrepreneurial assistance in the wake of the pandemic. It is noteworthy that SBA executed over 14

years' worth of lending in 14 days, and this was just the beginning of the pandemic response effort. To execute Congressional mandate in a timely manner, SBA reduced controls, which increased the risk of fraud and abuse of programs. OIG sought to inform SBA in advance with our risks and lessons learned white paper reports. OIG published a robust oversight plan and initiated its first reviews focusing on implementation and eligibility of the Paycheck Protection Program (PPP), EIDL, and the entrepreneurial development programs. The oversight challenges are continuing to evolve with hundreds of fraud cases being initiated.

OIG's Hotline has received more than 180,000 allegations of wrongdoing. Our findings have also uncovered mounting concerns surrounding internal controls. From March 2020 through March 2021, OIG received over 150 years' worth of Hotline complaints pertaining to waste, fraud, and abuse in SBA programs and operations. These Hotline complaints will result in thousands of additional investigations.

OIG is faced with a conundrum of a justified need for increases to its base allocation concurrent with the availability of finite supplemental resources. Additionally, OIG has allocated its supplemental resources to increase its staffing by an additional 51 positions and anticipates exhaustion of the funds supporting these positions in approximately 5 years. OIG's supplemental resources are a combination of permanent and term appointments to balance the anticipated oversight needs in the coming years. OIG is seeking an increase of \$10 million in budget authority for FY 2023 over FY 2021 enacted level to ensure adequate support services are available for its regular and supplemental oversight capacity.

The increase will allow for effective oversight of SBA's Disaster Assistance Program. The funding increase supports the separation of an Audits Division oversight directorate into two groups with necessary support positions. OIG will make permanent enhancements to a Disaster Oversight Group and related support for EIDL oversight.

SBA's Disaster Assistance Program lending for the pandemic response, principally through EIDL, is in the hundreds of billions. This unprecedented loan portfolio will perform for up to 30 years, and it requires continued, long-term OIG oversight. The statute of limitations for fraud associated with CARES Act lending allows for prosecutions more than a decade into the future. Of the over 180,000 Hotline complaints received during, the majority of these complaints pertain to the EIDL Program. The Audit Division's Credit Programs Group will continue its oversight of SBA's traditional lending programs and the PPP. While lending in PPP is anticipated to resolve within several years, the systemic weaknesses and strain on SBA pandemic response programs and operations will take many years to resolve and will require

robust OIG oversight. SBA's traditional lending programs—7(a) and 504—also have seen record loan portfolio levels in addition to the lending authority associated with the pandemic response.

OIG has found weaknesses in the internal controls for the acceptance processes for both the Shuttered Venue Operators Grant program and the Restaurant Revitalization Fund. It is anticipated that fraud in these programs will require a significant investment of resources to promote integrity and justice.

OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program. Additional efforts supported by OIG's 2023 requested increase include:

#### *Increased Oversight Capacity*

OIG will integrate supplemental oversight capacity into its Audits and Investigations Divisions. Specifically, the increase of \$10 million in budget authority will enhance OIG's base oversight capacity necessary for overseeing SBA programs and operations, which are operating at unprecedented levels. OIG's supplemental resources include criminal investigators across the office's 11 investigative field offices; auditors/analysts within the Audits Division's Credit Programs, Disaster Assistance, Business Development and Contracting, and Financial Management and Information Technology Groups; data analysts; and Hotline staff. OIG's oversight work has uncovered an alarming number of suspected fraud cases in SBA pandemic response programs, including approximately \$80 billion of potential fraud in the EIDL program.

#### *Disaster Assistance Program Oversight*

OIG will permanently expand its Audits Division oversight capacity of SBA's Disaster Assistance Program. The funding increase will facilitate an additional three positions to expand capacity from one oversight team in the Audits Division to a Group consisting of two teams, with support positions within OIG for legal and writing/editing resources.

An additional Hotline Analyst will bolster OIG's capacity to address the more than 180,000 allegations of wrongdoing. The vast majority of these complaints pertain



to the EIDL program. An additional Hotline Analyst focused on SBA's Disaster Assistance Program is necessary to meet OIG's statutory responsibilities and to maintain the public trust.

OIG also manages four multi-million-dollar supplemental budgets, which includes EIDL oversight. One additional Budget Analyst will provide resilience in this functional area within OIG and allow for the effective management of OIG's budgetary resources aimed at oversight of SBA's Disaster Assistance Program.

SBA's role in the nation's pandemic response significantly increased the breadth and scope of the financial statement audit and other related statutory compliance reviews. Specifically, the Agency's total budgetary resources increased from \$12.3 billion in FY 2019 to \$1.5 trillion in FY 2020 and \$1.3 trillion in FY 2021. This increase, while providing critical assistance, has significantly tested the Agency's capacity to generate financial information and reports in full compliance with federal statutes and generally accepted accounting standards. As a result, the scope and breadth of the Independent Public Accountant's review has increased, resulting in increased costs attributed in part to the burgeoning Disaster Assistance Program.

#### *Baseline Resource Utilization*

The funding requested for FY 2023 will allow OIG to continue to address critical areas and issues in support of the President's Management Agenda for SBA. Planned key functions and demonstrated effects of OIG activities are summarized below.

Work an active caseload of approximately 400 criminal and civil fraud investigations of potential loan and contracting fraud and other wrongdoing. Many of these investigations involve complex, multimillion-dollar fraudulent financial schemes perpetrated by multiple suspects. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2021, OIG investigations resulted in 272 indictments/informations, 137 convictions, and \$4.23 billion in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled.

Conduct risk-based audits and reviews of SBA activities with a focus on systemic, programmatic, and operational vulnerabilities. During FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. During this period, the Audits Division

achieved \$64.8 million in accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management. During FY 2021, OIG issued 19 reports with 119 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs.

OIG's Audits Division will staff four groups to oversee SBA's principal, high-risk programs in Business Development and Contracting Programs, Credit Programs, Financial Management and Information Technology, and Disaster Assistance. It will staff one Audit Operations group to focus on efficiency and effectiveness of internal operations and SBA management challenges.

In FY 2021, the framework for a Disaster Oversight Group was formulated through realignment of existing and new personnel resources to oversee the hundreds of billions of dollars in disaster assistance lending and grants resulting from the pandemic response. Utilizing the \$1.6 million transfer of funds from SBA's Indirect Disaster Loan Program account, our budget request includes necessary funds to cover costs of one Audit Director, two audit teams, and writing, legal, and budget support to provide critical oversight of the Disaster Assistance Program. The transfer of funds from SBA's Indirect Disaster Loan Program account has been fully supported for more than 20 years in the President's Budget.

OIG contracts with an independent public accountant to ensure SBA's financial statements are prepared in accordance with generally accepted government auditing standards and to monitor the Agency's compliance with the Federal Information Security Management (FISMA) Act, Federal Information Technology Acquisition Reform Act, the Digital Accountability and Transparency Act of 2014, and the Improper Payments Elimination and Recovery Act of 2010.

OIG will conduct mandated reviews to maintain integrity of SBA programs and to meet information needs of stakeholders. OIG performs a review semiannually to determine the adequacy of SBA controls over the solicitation, acceptance, holding, and utilization of cash contributions and gifts, and an annual review of Government Purchase Card Transactions.

OIG will continue to provide oversight and monitoring of SBA's IT security and application development activities, including new systems under development and the Agency's compliance with FISMA. OIG has identified systemic problems with SBA's IT systems, and this remains a top management challenge facing the Agency.

OIG has integrated its data analytics initiative into its audit and investigative processes and is committed to creating an infrastructure that will enable a robust data strategy for the future. The Data Analysis Group is comprised of one Data Analytics Director and two Data Analysts/Scientists. SBA uses numerous data systems to manage its loan processes and activities, and this data changes constantly and involves automated processes. To proactively address issues and respond to fraud, waste, abuse, inefficiencies and misconduct, OIG is seeking two additional Data Analysts that can examine data in real time to support our investigative and auditing resources.

The data analytics team works with OIG audit teams and investigators to help improve the organization's overall efficiency and effectiveness. It promotes the production of higher quality audit and investigative evidence and better correlation of audit and investigative approaches to risks and assertions. To date, OIG's initial data analytics efforts have identified billions of dollars of potential fraud in SBA's lending programs involved in the pandemic response. Data analytics has bolstered our investigative capacity with findings that have led to investigation and quick arrest of fraudsters across the nation. Additional funding and specialized staff will allow us to:

- Enhance current tools and deploy additional data analytic capabilities to develop a data warehouse, increase staff training in the software tools, continue to partner with federal agencies, and initiate our use of AI and visual software.

- Produce actionable reports that, using data analytics, can be issued quickly to identify control breakdowns. This will allow Audits staff to efficiently highlight systemic issues and drive our audit work, as well as promote corrective action by program officials to strengthen internal controls and prevent further loss to taxpayers.

Maintain a robust OIG Hotline to receive and process allegations of fraud, waste, abuse, or serious mismanagement in SBA programs and operations from employees, contractors, and the public. The OIG Hotline serves as the key conduit for reported allegations of fraud, waste, and abuse in SBA programs and operations. During FY 2019, the OIG Hotline received 742 complaints, in FY 2020, the OIG Hotline received 104,913 complaints, and has received an additional 80,000 through FY 2021. OIG's Hotline staff review and analyze these complaints to determine and then coordinate the appropriate action.

Educate SBA employees through a designated Whistleblower Coordinator about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if they are retaliated against for making a protected disclosure.

Review proposed revisions to SBA regulations, policies, procedures, and other directives with an emphasis on strengthening internal controls to prevent potential fraud and wasteful, confusing, or poorly planned initiatives. During FY 2020, OIG provided recommendations to improve 28 of the 140 proposed revisions it reviewed. During FY 2021, OIG provided recommendations to improve 13 of the 148 proposed revisions it reviewed.

Make present responsibility referrals that may result in debarments, suspensions, and other administrative enforcement actions to foster integrity in SBA programs. During FY 2020, OIG sent 47 present responsibility referrals to SBA and was involved with 15 actions other agencies pursued. During FY 2021, OIG sent 19 present responsibility referrals to SBA.

Serve as an educational resource, ensuring that oversight and lending officials develop or maintain technical proficiency in small business issues, suspension and debarment, the Program Fraud Civil Remedies Act, and other topics related to deterring and detecting fraud in government lending and contracting programs. During FY 2020, OIG delivered 194 training and outreach sessions for approximately 4,964 attendees. Due to the pandemic, OIG's outreach efforts were limited in FY 2021. As such, during FY 2021, OIG delivered approximately 165 training and outreach sessions for approximately 6,451 attendees.

Support the strategic use of awards and recognition throughout the performance year, address workforce challenges and recognize high-performing employees, and recognize those employees with talent critical to mission achievement.

Pay for required OIG employee and contractor background investigations to achieve a high level of integrity in OIG's workforce.

Adjudicate OIG employees and contractors for issuance of Personal Identity Verification Cards pursuant to Homeland Security Presidential Directive 12 background investigations requirements.

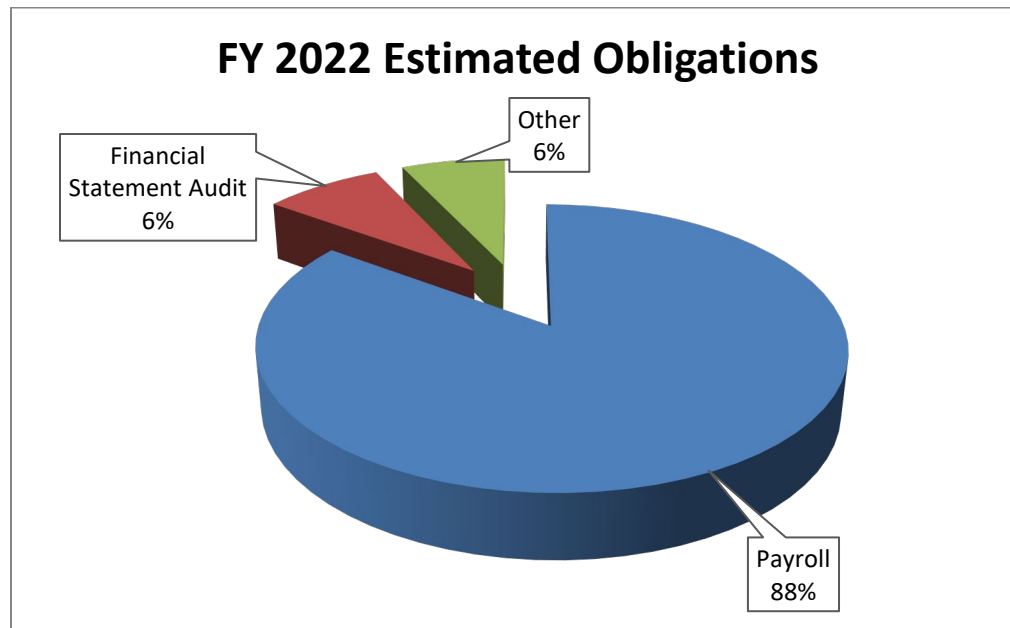
## Budget Request

To address the challenges and risks discussed above and in the critical risks section below, OIG requests an appropriation of \$32,020,000 million for FY 2023 and a transfer from SBA of \$1.6 million from the Indirect Disaster Assistance Loan Program, providing OIG total budget authority in the amount of \$33,620,000.

**Table 1: FY 2023 Budget Request**

Dollars in Millions	FY 2021 Actual	FY 2022 Full year CR	FY 2023 Request	FY 2023 Increase/ Decrease
New Budget Authority	\$22.011	\$22.011	\$32.02	\$10.01
Transfer from Indirect Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0
<b>Total</b>	<b>\$23.611</b>	<b>\$23.611</b>	<b>\$33.62</b>	<b>\$10.01</b>

Most of the funds requested for FY 2023 will be used for salary and benefits for 146 positions, as well as the cost of the annual audit of SBA’s financial statements by an independent public accountant.



## Critical Risks Facing SBA

Within available resources, OIG must focus on the most significant risks to SBA and the taxpayer. Many of these risks are addressed in OIG's Report on *Top Management and Performance Challenges Facing the SBA*, which OIG issues annually in accordance with the Reports Consolidation Act of 2000.

## Pandemic Response Programs

SBA's tremendous role in the nation's pandemic response is without precedent. SBA has expended more than a trillion dollars in lending authority and entrepreneurial assistance following the pandemic. The speed and reduced controls surrounding this lending authority brought with it substantially increased risk.

To support businesses affected by the COVID-19 pandemic, Congress tasked SBA with lending more than \$373 billion in COVID-19 EIDLs and \$20 billion in COVID-19 emergency advance grants. Congress also appropriated additional funds for new disaster assistance programs, \$35 billion for targeted EIDL advances, \$16.25 billion for the Shuttered Venue Operators Grants program, and \$28.6 billion for the Restaurant Revitalization Fund.

In addition, the CARES Act also provided \$349 billion for the creation of the PPP under Section 7(a) of the Small Business Act. Congress added an additional \$310 billion to the PPP on April 24, 2020, through the Paycheck Protection Program and Health Care Enhancement Act.

On December 27, 2020, through the Consolidated Appropriations Act, 2021, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act extended the program through March 31, 2021. The Economic Aid Act provided an additional \$147.5 billion, and the American Rescue Plan Act provided an additional \$7.2 billion in program funding, which increased the total program funding to \$813.7 billion. On March 30, 2021, the PPP Extension Act of 2021 extended the program through June 30, 2021, with May 31, 2021, being the last day for acceptance of applications.

SBA's need to quickly provide relief to small businesses led to reduced controls on pandemic-related loans, substantially increasing the fraud risk. It was immediately clear that pandemic relief efforts had drawn the attention of unscrupulous business owners and greedy criminals.

Within weeks, complaints from lenders and allegations of widespread fraudulent activity overwhelmed OIG's Hotline. We launched hundreds of investigations and initiated audits to root out the fraud and abuse endangering these critical resources. We made recommendations for corrective action in the internal control environment, seeking to achieve efficiencies and program effectiveness.

## **Small Business Access to Capital**

SBA provides small businesses with capital and financial assistance through several key programs. It has a financial assistance portfolio of guaranteed and direct loans totaling nearly a trillion dollars, a nearly sevenfold increase since 2019. Over the years, OIG has worked closely with the Agency to identify potential points of risk and to improve SBA's oversight and controls to ensure that eligible participants benefit from these programs.

For example, the Agency's largest lending program, the Section 7(a) loan program, is SBA's principal vehicle for providing eligible 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 (e.g., borrowers, loan agents, and lenders) to complete loan transactions, with most loans being made by lenders with SBA delegated loan-making authority. Additionally, SBA has centralized many loan approval and servicing functions and reduced the number of staff performing these functions, placing more responsibility on, and giving greater independence to, its lenders. Past OIG reviews have reported on these trends, and OIG continues to identify weaknesses in SBA's lender and loan agent oversight processes.

Criminals use a wide array of techniques to fraudulently obtain or induce others to obtain SBA-guaranteed loans. These include submitting fraudulent documents, making fictitious asset claims, manipulating property values, using loan proceeds contrary to the terms of the loans, and failing to disclose debts or prior 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, to recovering funds.

## **Disaster Assistance Program**

Disaster assistance has been part of the Agency since its inception in 1953. Through its Office of Disaster Assistance, SBA provides long-term, low-interest financial assistance

to businesses of all sizes, private nonprofit organizations, homeowners, and renters following a disaster. Each year, SBA approves hundreds of millions of dollars 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 disaster losses. The program includes four categories of loans for disaster-related losses: home disaster, physical business disaster, economic injury, and military reservist economic injury loans.

Unfortunately, the need to disburse such loans quickly poses many complications, which can create opportunities for dishonest applicants to commit fraud. OIG and Government Accountability Office (GAO) audits have identified that SBA's disaster assistance loans have been vulnerable to fraud and losses in the past because loan transactions are often expedited to provide quick relief to disaster survivors. Disaster lending personnel, who are brought into the workforce quickly, may lack training or experience. Additionally, the volume of loan applications may overwhelm SBA's resources and its ability to exercise careful oversight of lending transactions. OIG audits and investigations have identified specific instances of fraud as well as necessary systemic improvements to reduce fraud and provide effective and efficient loan delivery and protect taxpayer dollars.

## **Procurement Assistance**

Each year, the federal government spends hundreds of billions of dollars in federal contracts to procure goods and services. SBA has worked to maximize opportunities for small business firms to receive these contract awards. For the current FY, the federal government aims for 23 percent of these award dollars to go to small businesses. SBA reported that the federal government exceeded the goal in FY 2020, awarding 26.02 percent, or \$145.7 billion, in federal contract dollars to small businesses, nearly \$13 billion more than the previous FY.

To accomplish this goal, SBA has specific programs that focus on strengthening particular types of small businesses, including firms owned and controlled by service-disabled veterans or women (WOSBs), and small businesses that are disadvantaged or located in historically underutilized business zones (HUBZones). For example, the HUBZone program helps small businesses stimulate their economically challenged local economies. Similarly, to help small, disadvantaged businesses gain access to



federal and private procurement markets, SBA's Section 8(a) Business Development Program offers a broad range of business development support, such as mentoring, procurement assistance, business counseling, training, financial assistance, surety bonding, and other management and technical assistance.

Even with effective controls, some businesses misrepresent their eligibility for the HUBZone, WOSB, service-disabled veteran, and 8(a) programs to wrongfully receive preference for government contracts. OIG and other federal investigations have identified schemes in which companies owned or controlled by non-disadvantaged persons falsely claim to be disadvantaged or use actual disadvantaged firms as fronts. In other schemes, perpetrators use bribery or fraudulent procurement documents to achieve their ends.

## **Entrepreneurial Development**

SBA provides training, mentoring, and counseling services to small businesses through a variety of strategic partnerships. The Office of Entrepreneurial Development (OED) oversees a network of programs and services that support the training and counseling needs of small business. OED manages and leverages three major resources: Small Business Development Centers (SBDCs); SCORE, a national mentor network; and Women's Business Centers. The Office of Veteran Business Development partners with Veteran's Business Outreach Centers (VBOCs) to administer veteran technical assistance and training programs, mainly the Boots to Business Program. Although each resource program's goals and target audiences may vary, they share a common mission: to provide business advice, mentoring, and training to small businesses and entrepreneurs. Primarily, SBA administers these programs through grants and cooperative agreements.

OIG has identified weaknesses in SBA's oversight of recipient use of federal funds and performance outcomes. Notably, the SBDC program is the largest grant program in the Agency's portfolio. OIG has identified problems with comingling SBDC grant funds with private-enterprise contributions and accounting for required matching funds. Some SBDCs are combined with Women's Business Centers, which makes it difficult to determine what services are associated with each grant program. In addition, having two grant programs delivering similar services increases the risk of duplicating services and contributes to government waste. Our review of the SCORE program also identified similar significant weaknesses in SBA's oversight of federal funds, including funds used for unallowable, unallocable, unreasonable expenses, and inaccurate performance results.

Under the Disaster Relief Appropriations Act, 2013, SBA awarded additional grants to these resource partners. OIG found that SBA did not enhance its internal controls to ensure that program goals were achieved, and expenditures were allowable. As a result, SBA developed guidance to mitigate these risks in the event of future, similar grants for disaster assistance.

In 2020, SBA administered the \$240 million provided under the CARES Act for the resource partners to provide counseling, training, and related assistance to small businesses adversely affected by the COVID-19 pandemic. OIG reviewed the procedures SBA used to award the grants and found improvement were needed to ensure the Agency set meaningful performance goals to assess program achievements. SBA is also awarded a \$25 million cooperative agreement to resource partner associations to establish a single centralized hub for information related to COVID-19. This includes a training program to educate resource partner counselors and mentors on the COVID-19 information available to effectively assist affected small businesses. OIG reviewed the implementation of the training program and found that SBA did not establish expectations for performance goals. Because of this, SBA was unable to hold the grant recipient accountable when the training program was hardly used. Also, SBA did not ensure the grant recipient awarded contracts in accordance with federal regulations.

In FY 2021, SBA established the Community Navigator Pilot program as authorized by the American Rescue Plan Act of 2021. SBA awarded grants to private nonprofit organizations, resource partners, States, Tribes, and units of local government to strengthen outreach to underserved businesses and improve access to pandemic relief programs and recovery services for small businesses. OIG plans to assess SBA's implementation of these programs to include the effectiveness of corrective actions identified in prior audits and reviews.

SBA also provides grants to states through its State Trade Expansion Program, previously piloted as the State Trade and Export Promotion grant program, as part of its strategic objective to help small business exporters succeed in global markets. At Congress' request, OIG reviewed both the pilot program and its replacement. OIG found that SBA's oversight of the program did not ensure that it achieved intended results. Further, SBA relied on unverified performance data and did not ensure that the grant recipients performed the activities as planned, leaving federal funds unexpended at the end of the grant. As international business and travel are impacted by the pandemic, the CARES Act provided extensions for the STEP program funding that will require additional oversight to ensure funds are used for their intended purposes.

## **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 these efforts, OIG works 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.

Congress supplemented SBA's appropriations by approximately \$4.6 billion to administer over one trillion dollars of authorized economic stimulus for small businesses. SBA used most of these funds to procure goods and services to support SBA's prompt implementation of the CARES Act programs. This spending is a sixfold increase to typical annual procurements for the Agency.

SBA's IT systems play a vital role in managing the Agency's operations and programs, including nearly one trillion dollars in its loan portfolios. However, OIG audits and other reviews have identified serious shortcomings in SBA's information systems and related security controls. OIG reviews have found that SBA has not fully implemented adequate oversight of its IT systems, has not established an effective process to remediate security vulnerabilities, and has not developed an effective process to upgrade IT capabilities. OIG has issued management challenges recommending corrective actions in SBA's IT security and acquisition processes.

## **OIG Oversight Activities**

Through audits and other reviews, OIG provides independent oversight of critical aspects of SBA's programs and operations to improve the Agency's efficiency and effectiveness. OIG also supports SBA's mission by conducting criminal, civil, and administrative investigations involving Agency's programs and operations and where there is a nexus, allegations of serious misconduct by its employees, contractors (and sub-contractors), and grantees. The OIG Hotline operations are poised to receive complaints of fraud, waste, abuse, and mismanagement from the public, Agency employees, its contractors and grantees and stakeholders. OIG serves as a governmentwide training resource for small business fraud and enforcement issues. OIG also plays a vital role in raising awareness of fraud schemes and vulnerabilities for SBA lending partners and other entities involved in SBA's programs. These activities help to ensure that SBA employees, loan applicants, and program participants possess a

high level of integrity. This is critical to the proper administration of SBA programs because it helps ensure that the Agency's resources are used only by those who deserve and need them the most.

During FYs 2022 and 2023, in addition to conducting audits and reviews that are required by statutes and other directives, OIG will continue to focus on the most critical risks facing SBA and conducting criminal, civil and administrative investigations to root out fraud, waste, and abuse. Several areas of emphasis are discussed below.

## **Pandemic Response Oversight**

With Congress authorizing SBA to make over \$1.0 trillion dollars of PPP and EIDL lending authority to mitigate the economic damage to the nation resulting from the COVID-19 pandemic, there is no higher oversight priority within OIG than pandemic response oversight.

In February, OIG published its Audit Division Oversight Plan for calendar year 2022. Our aggressive oversight plan uses all available OIG resources to provide timely objective and independent oversight of the PPP, the EIDL, Shuttered Venue Operators Grant (SVOG), Restaurant Revitalization Fund (RRF), and entrepreneurial development resources being implemented and executed by SBA pursuant to the CARES Act and ensuing legislation aimed at pandemic relief for small businesses.

To support businesses affected by the COVID-19 pandemic, in FY 2021, Congress tasked SBA with lending \$470 billion in COVID-19 EIDLs and \$20 billion in COVID-19 emergency grants. In FY 2021, Congress appropriated additional funds for new disaster assistance programs: \$35 billion for targeted and supplemental EIDL advances, \$16.25 billion for the Shuttered Venue Operators Grants (SVOG) program, and \$28.6 billion for restaurant revitalization. In addition, the CARES Act also provided \$349 billion for the creation of PPP under Section 7(a) of the Small Business Act. Congress added an additional \$310 billion to the PPP on April 24, 2020, through the Paycheck Protection Program and Health Care Enhancement Act. On December 27, 2020, through the Consolidated Appropriations Act of 2021, the Economic Aid to Hard Hit Small Businesses, Nonprofits, and Venues Act extended the program through March 31, 2021. The Economic Aid Act provided an additional \$147.5 billion in program funding and the American Rescue Plan Act provided an additional \$7.2 billion in program funding, which increased the total program funding to \$813.7 billion. On March 30, 2021 the PPP Extension Act of 2021 extended the program through June 30, 2021 with May 31, 2021 as the last day for acceptance of applications.

SBA response to the COVID-19 pandemic made FY 2020 a historic year in loan applications, approvals, and disbursements. To put SBA's effort in FY 2020 and going into FY 2021 in perspective, SBA had approved \$2.2 billion in disaster loans, which is included in a total of \$66.7 billion in SBA's entire history since 1953. As of June 26, 2020, SBA had approved and distributed more disaster loans for COVID-19 than for all other disasters combined in the history of SBA. For Hurricanes Katrina, Rita, and Wilma, the Agency approved 160,845 loans for \$11 billion; for Superstorm Sandy, the Agency approved 38,094 loans for \$2.6 billion; for Hurricanes Harvey, Irma, and Maria, the Agency approved 25,991 loans for \$1.16 billion. As of July 31, 2020, the Agency had approved over 3.5 million COVID-19 EIDLs for over \$187.2 billion. By April 12, 2020, SBA had received more than 15 million loan applications, well above the average of 65,000 per year before the pandemic. These loans will perform in the portfolio for up to 30 years. As loans go into default, whistleblowers come forward, and data analysis continues, OIG will continue to identify prosecutable fraud charges for up to 10 years.

The Disaster Loan program is the only form of SBA assistance not limited to small businesses; the program's disaster loans are the primary form of federal assistance for repairing and rebuilding nonfarm, private sector disaster losses. In addition, the CARES Act and Paycheck Protection Program and Health Care Enforcement Act expanded eligible entities for COVID-19 relief to include businesses, cooperatives, employee stock ownership plans, and tribal concerns with less than 500 employees; sole proprietorships with or without employees; independent contractors; and agricultural enterprises.<sup>19</sup> The program includes four categories of loans for disaster-related losses: home disaster loans, business disaster loans, EIDL, and military reservist economic injury loans.

OIG's resources are currently focused on providing oversight of PPP funds and combating fraud, waste, and abuse in PPP and the other programs. We currently have 10 ongoing reviews involving PPP, EIDL, and entrepreneurial development programs. These reviews are focused on SBA's loan review and forgiveness processes, handling of potentially fraudulent PPP loans, initial disaster assistance response to COVID-19, implementation of subsidies for 7(a) loan payments, oversight of the resource partner associations' implementation of the CARES Act requirements, and another focused-on award procedures for cooperative agreements. Additionally, OIG identified several areas that will warrant future audits and reviews, including, Eligibility and forgiveness, Third Party Processors (Fintechs), 7a and 504 lending, and reviews of the SBDCs and Women's Business Centers compliance with CARES Act cooperative agreement

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<sup>19</sup> Agricultural enterprises are small business concerns engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural-related industries, as defined by section 18(b) of the Small Business Act (15 U.S.C. 647(b)).

requirements. OIG will also assess SBA's use of contractors and its contracting practices in implementing pandemic response responsibilities, as well as IT security and infrastructure. OIG's robust oversight of these programs will continue for the foreseeable future.

Criminals are using a wide array of techniques to fraudulently obtain PPP and EIDL loans. Since March 2020, we have initiated hundreds of investigations involving complaints of fraud, with noteworthy results in arrests, indictments, and convictions being reported daily by the U.S. Department of Justice. Among these accomplishments was the first in the nation charges against individuals fraudulently seeking PPP loans, which was announced on May 5, 2020. This achievement was the result of dedicated work by OIG criminal investigators and its law enforcement partners. With the tens of thousands of allegations of wrongdoing reported to the Hotline and our data analysis efforts, the number of criminal investigations is anticipated to increase rapidly. Further changes of the program terms (such a loan terms) could extend the surge of new complaints; however, we anticipate a resurgence of allegations of wrongdoing when the PPP shifts to forgiveness, with documentation to substantiate eligibility and use of proceeds facing scrutiny. Even though the term on these loans is only up to 5 years, statute of limitations for this fraud will be active through 2030.

### **Small Business Access to Capital**

SBA paid guarantee claims totaling nearly \$1.2 billion in FY 2020 and over \$870 million in FY 2021 for defaulted 7(a) loans and 504 debentures. Some of SBA's losses correlate to similar root causes reported in the mortgage industry, such as limited SBA oversight of lenders and loan agents, poor lender underwriting and loan processing, unscrupulous borrowers, and complicit brokers and lenders.

OIG will continue to address financial losses in SBA lending due to lender errors and various fraud schemes. Notwithstanding significant resources dedicated to oversight of SBA's PPP, OIG also plans to continue conducting audits and reviews to assess whether SBA processed loans in accordance with established policies and procedures and ensured borrowers met eligibility requirements. SBA approved nearly 52,000 7(a) loans totaling nearly \$36.8 billion during FY 2021. We will continue to perform in-depth analyses of high risk 7(a) loans. When lender negligence is found, this group will recommend recovery of the guarantee. OIG also will target the worst offending lenders to attain corrective actions and identify trends for operational improvement by SBA. When OIG identifies suspected fraud, those loans will be investigated.

OIG will continue to focus on detecting fraud committed by loan agents, such as packagers, brokers, and lender service providers. A loan agent is sometimes hired by an applicant or lender to assist the applicant in obtaining an SBA loan or to perform some lender functions. Although honest loan agents help small businesses gain access to capital, some dishonest agents have perpetrated fraudulent schemes involving tens of millions of dollars. These fraudulent loans often default for nonpayment, and SBA is forced to use taxpayer funds to purchase the guaranteed portions of the loans.

OIG also will continue to conduct audits of SBA's internal loan program operations and oversight, including audits of SBA's loan origination, closing, servicing, and liquidation processes, oversight of Small Business Investment Companies and loan agents and lender service providers. Past work has shown that loans were not always properly originated, and those effective controls and procedures were not in place to prevent improper payments.

### **Disaster Assistance Program**

OIG audits of SBA's Disaster Loan program will continue to focus on applicant eligibility, loan origination, disbursements, repayment ability, loan servicing, liquidation activities related to disaster loans, and SBA's initial response to major disasters. Our focus in recent years has been on providing oversight to SBA's disaster assistance to Hurricane Sandy victims. As SBA responded to Hurricane Sandy, our oversight plans took shape, and our work rooted out fraud, waste, and abuse. Aided by vital, supplemental funding, our Audits Division initially focused its reviews on timeliness, eligibility, technical assistance grants, and early defaults. OIG issued 10 reports pertaining to our oversight efforts of SBA's Hurricane Sandy disaster assistance, including a review pertaining to loans made pursuant to the RISE After Disaster Act of 2015.

In addition to reviews of Hurricane Sandy loans, OIG has performed audits to assess SBA's response associated with more recent disasters. During 2017, three additional devastating hurricanes occurred. In August, Hurricane Harvey struck Texas. Two weeks later, Hurricane Irma caused significant damage to the U.S. Virgin Islands, Puerto Rico, Florida, Georgia, and South Carolina. Two weeks after that, Hurricane Maria struck the U.S. Virgin Islands and Puerto Rico. The National Oceanic and Atmospheric Administration estimates damages for the three hurricanes at \$265 billion. They rank among the top five costliest U.S. hurricanes on record. In 2018, OIG issued three inspection reports assessing SBA's initial response to Hurricanes Harvey, Irma, and Maria. In 2019, OIG also assessed SBA's initial response to Hurricane Florence.

In 2019, we also assessed SBA's desktop loss verification process. The process consisted of an initial desktop verification to estimate the cost of repairs and a post desktop review, which is used to verify the initial estimate. We found that SBA had disbursed more than 36,000 loans for more than \$594 million without validating the cause and extent of damages.

In 2020, despite our primary focus on COVID-19 related matters, we also assessed the Office of Disaster Assistance improper payment appeal process and its compliance with the Debt Collection Improvement Act. We will continue to evaluate potential risks in the program, such as SBA's continued response to COVID-19 EIDLs, eligibility requirements, use of proceeds, proof of insurance, early COVID-19 defaulted loans, timely program delivery, loan affordability, and training of reserve workforce. Our Disaster Loan program audits will assess whether SBA processed homeowner and business loans in accordance with the Agency's procedures and established goals and ensured applicant eligibility.

For investigations, OIG will focus efforts on areas of known risk, such as unauthorized use of loan proceeds, overstatement of financial losses, materially false statements in the application process, false or counterfeit supporting documentation, and false assertions regarding primary residency in affected areas at the times of the disasters. Since 2006, OIG has conducted dozens of criminal investigations involving disaster loans resulting in hundreds of arrests, indictments/informations, and convictions. As of March 31, 2021, OIG had 32 open cases involving disaster loans with potential dollar losses of nearly \$4 million. From FY 2006 through FY 2020, OIG, in conjunction with other law enforcement agencies, brought about 158 arrests, 172 indictments/informations, and 169 convictions related to wrongdoing in SBA's Disaster Assistance Program. These investigations have resulted in over \$26.5 million in court-ordered restitution and related recoveries. In addition, \$7.2 million in loans was denied to potentially fraudulent borrowers.

Specific to Hurricane Sandy, in response to the potential for fraud, OIG joined other law enforcement organizations in support of the New Jersey Attorney General's Office Sandy Fraud Task Force. Since 2014, OIG, in conjunction with other law enforcement agencies, has conducted criminal investigations resulting in 61 indictments/informations and 47 convictions related to wrongdoing in SBA's Disaster Assistance loan program for Hurricane Sandy. The first OIG Sandy investigation was opened in May 2013. Subsequently, OIG has had 88 Sandy cases, totaling nearly \$16.0 million in potential fraud. As of March 31, 2021, OIG had 8 Sandy cases open with potential fraud totaling nearly \$3.5 million.



In the aftermath of Hurricane Harvey, OIG collaborated with federal and local agencies to coordinate responses to disaster assistance fraud. These partners included the National Center for Disaster Fraud (NCDF) in Baton Rouge, Louisiana, as well as the U.S. Attorney's Office (USAO). OIG also worked with SBA program offices to alert Hurricane Harvey victims about possible fraud schemes, particularly identity theft. From FY 2018 through FY 2021, 16 Hurricane Harvey cases had been opened, with potential dollar losses exceeding \$3.1 million. During that time, there were 6 indictments and 4 convictions.

In the case of the geographically widespread Hurricanes Irma and Maria, OIG is coordinating its efforts with task forces consisting of other law enforcement agencies and United States Attorney's Offices, as well as following up on leads from National Center for Disaster Fraud. OIG also is working with SBA program offices to alert hurricane victims about possible fraud schemes, particularly identify theft. In addition, OIG is exploring data analytic initiatives to combine SBA and other agency data to identify possible fraud.

OIG has made field visits to promote its investigative mission to stakeholders in the affected areas. From FY 2018 through FY 2021, 21 cases related to Hurricanes Irma and Maria had been opened, with potential dollar losses of nearly \$1.2 million. During that time, there were five indictments and five convictions.

Finally, in 2017 and 2018, wildfires across California were responsible for numerous deaths and billions in property losses. OIG's response plan is based on leveraging strong existing relationships with SBA and law enforcement partners to deter, detect, and prosecute disaster fraud schemes. Consistent with this, OIG was asked to join the Disaster Relief Fraud Task Force of federal, state, and local agencies. OIG also is working with SBA program offices to alert wildfire victims about possible fraud schemes, particularly identity theft.

## **Procurement Assistance**

SBA directs significant efforts toward helping small businesses obtain federal contracts and providing other business development assistance. SBA's Office of Government Contracting and Business Development is tasked with helping small businesses obtain federal contracting opportunities and helping small, disadvantaged, veteran-owned, and women-owned businesses build their potential to compete more successfully in a global economy. During FYs 2022 and 2023, OIG will focus on SBA's oversight and current issues affecting government contracting and business development programs,

including investigating allegations that ineligible companies are fraudulently benefitting from these programs.

The funding requested for FY 2023 will allow OIG to continue investigating fraudulent schemes that take improper advantage of SBA's contracting assistance programs. In addition, OIG has handled several qui tam cases brought by private-sector whistleblowers alleging fraud in SBA's small business and socioeconomically disadvantaged contracting programs. Although the number of such cases has fluctuated over the years, OIG must be prepared to expend considerable resources to provide both investigative and legal assistance to the government's prosecution of these cases. OIG's audit work will continue to assess SBA's effectiveness in ensuring only eligible small businesses benefit from these programs. Our audit teams will focus on reviewing the following areas.

The 8(a) Business Development Program continues to be susceptible to major vulnerabilities. These include limited program oversight; inequitable distribution of contracting opportunities among participants; insufficient measurable, consistent, and mandatory criteria pertaining to economic disadvantage; insufficient implemented criteria defining business success for purposes of program graduation; missed opportunities to study the long-term effects of the program on former participants; and misrepresentation by companies as small, minority-owned, or disadvantaged businesses to gain an unfair advantage in the federal marketplace. During past reviews, we found SBA did not consistently identify ineligible firms in the 8(a) program and did not always act to remove firms it had determined were no longer eligible for the program. In addition, SBA did not perform required continuing eligibility reviews when it received specific and credible complaints regarding eligibility and did not log all complaints. Ineligible firms were awarded more than \$126.8 million in new 8(a) set-aside contract obligations in FY 2017 at the expense of eligible disadvantaged firms. In FY 2022, OIG found SBA's business development process did not consistently allow for SBA or its stakeholders to determine whether firms met their individual goals to successfully complete the program. There was no mechanism in place to ensure that SBA consistently reviewed business plans and goals and then objectively monitored business development progress. OIG will continue to review these issues and SBA management of the 8(a) program.

In FY 2022, we plan to review the procedures used to establish economic disadvantage criteria. In FY 2023, we plan to review SBA's procedures used to verify an applicant's initial eligibility for the 8(a) program. We also will continue

to pursue a number of fraud investigations relating to the 8(a) program and will continue to devote resources to these investigations in FYs 2022 and 2023.

The HUBZone program provides federal contracting assistance to small businesses located in economically disadvantaged areas with the intent of stimulating economic development. Previous OIG and GAO reviews of the program identified significant control weaknesses that have allowed ineligible firms to receive millions of dollars in contracts. Accordingly, SBA implemented a more rigorous HUBZone certification and recertification process in the hopes of preventing ineligible firms from achieving certification. However, in a November 2013 audit report on SBA's HUBZone certification process, OIG reported that 12 firms certified into the program, including 3 ineligible ones, received 94 percent (\$34.9 million) of federal contract dollars awarded during a 6-month period in 2012, even though 367 firms were certified during that period. Similarly, in a FY 2019 audit report, we again reported that SBA did not ensure that only eligible firms entered the HUBZone program. We found that 2 of 15 firms we reviewed did not meet the principal office eligibility requirement and the HUBZone employee residency requirement. These firms received \$589,000 in HUBZone contract obligations at the expense of eligible firms. OIG is investigating numerous fraud cases under the HUBZone program and will continue to pursue prosecution, civil fraud recovery, and debarment of contractors who improperly obtain these contracts. For audit work, OIG plans to review SBA's HUBZone continuing eligibility review process.

The Women-Owned Small Business (WOSB) federal contract program provides greater access to federal contracting opportunities for WOSBs and economically disadvantaged WOSBs. The program allows contracting officers to set aside specific contracts for these certified firms. Previous OIG reviews have found false or incorrect WOSB self-certifications may be a significant governmentwide problem.

The National Defense Authorization Act for FYs 2013 and 2015 made major programmatic changes to the WOSB program. It considerably increased SBA's oversight role. Specifically, the FY 2015 Act authorized grant contracting officers the authority to award sole-source awards to WOSB firms, removed firms' ability to self-certify, and required firms to be certified. However, SBA has opted to implement the sole-source authority provision first, separate from a certification program. We believe that allowing sole-source contracting authority in the WOSB program, without implementing the contemporaneously required certification program, is inconsistent with SBA's statutory authorization and exposes the program to abuse. During our recent review of the SBA WOSB

program, we found that contracting officers and firms did not comply with federal regulations for 50 of the 56 program sole-source contracts, valued at \$52.2 million. As a result, there was no assurance that these contracts were awarded to firms that were eligible to receive sole-source awards under the program. In 2020, SBA implemented the WOSB certification program and began certifying firms on October 15, 2020. OIG is currently reviewing SBA's WOSB certification as the program office makes improvements to its certification process.

Service-Disabled Veteran Owned Small Businesses currently self-certify that they meet SBA's program requirements to be eligible for most federal contracts set-aside for these businesses. The U.S. Department of Veterans Affairs manages a Vets First Verification Program to verify that firms are owned and controlled by veterans and service-disabled veterans in order to compete for Veterans Affairs set asides. The National Defense Authorization Act of 2021 required that the Veterans Affairs verification program be transferred to the SBA and that it certifies businesses within 2 years. Additionally, firms will no longer be able to self-certify their status and will be required to obtain SBA certification prior to being awarded a federal contract. SBA is currently developing this certification program. OIG will monitor SBA's implementation of this program in FY 2023.

The SBA's Mentor-Protege program expands the mentor-protege program to eligible small businesses. OIG has conducted a number of fraud investigations involving the mentor-protege programs under the 8(a) program. In August 2016, SBA issued regulations to implement a statutory mandate that expanded mentor-protege programs to all other small businesses. The Agency accepted a number of OIG recommendations to revise these regulations to limit the opportunity for fraudulent acquisition of government contracts. Nevertheless, OIG anticipates that these expanded programs will create opportunities for additional fraud by large, non-disadvantaged contractors and that greater OIG resources will need to be devoted to investigating this fraud. During our recent evaluation of SBA's Mentor-Protege program, we found that SBA did not implement effective controls to ensure it conducted initial application reviews and annual evaluations to fully align with program regulations. Additionally, SBA did not fully adhere to established processes or ensure it appropriately documented assessments. Further, while SBA identified program performance indicators and a process to measure results, it did not effectively monitor and evaluate the results. As a result, SBA's program may not be developing small businesses as it intended and unqualified businesses, including large businesses, may improperly benefit from the program. OIG plans to continue monitoring SBA's management of this program.

Suspension and debarment actions are designed to protect the federal government from potential harm posed by individuals or entities who demonstrate a lack of business integrity. During our recent review of SBA's suspension and debarment process, we found that SBA has not established sufficient controls over its suspension and debarment process to prevent ineligible individuals or entities from participating in small business programs or to control the risk presented by potentially irresponsible entities participating in federal government programs. Specifically, an entity convicted of a Clean Water Act violation and included on the exclusion list received an SBA 7(a) loan valued at \$2.9 million. In addition, suspending and debarring officials' delayed action to process referrals for debarment resulted in \$80.3 million in contract awards to entities who demonstrated causes for debarment. OIG will continue to provide oversight of SBA's management of this program to ensure that firms identified as ineligible are effectively removed from these programs.

There is a high level of congressional interest in the government meeting its small business contracting goals. OIG will continue to assess whether SBA is taking adequate steps to ensure the integrity of small business contracting. OIG's work will focus on issues such as the accuracy of reporting small business contract activity, the classification of large businesses as small, adherence to regulations to protect small businesses, training of government contracting personnel, deterring fraudulent acquisition of government contracts, and bundling of contracts.

## **Entrepreneurial Development**

During FYs 2022 and 2023, OIG will focus on SBA oversight of and current issues affecting entrepreneurial and veterans' business development programs, with emphasis on grants awarded to SBDCs and Community Navigator Pilot Program.

## **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 these efforts, OIG works 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. During FYs 2022 and 2023, OIG plans to assess the effectiveness of SBA's actions to mitigate its workforce challenge risk.

## **Top Management Challenges**

As required by the Reports Consolidation Act, OIG annually develops the report on *Top Management and Performance Challenges Facing the SBA*. The management challenges focus on areas that are particularly vulnerable to fraud, waste, error, and mismanagement, or that otherwise pose a significant risk and generally have been the subject of one or more OIG or GAO reports. OIG will continue to identify and report top management challenges facing SBA and will work throughout the year with Agency management to resolve identified issues as quickly and efficiently as possible.

## **Financial Management and Information Technology**

OIG will continue to oversee the audits of SBA's financial statements, as well as FISMA and Federal Information Systems Controls Audit Manual reviews, which are conducted by an independent public accountant under a contract with OIG. The scope and complexity of the audit increased because of the volume and breadth of COVID-19 assistance programs. SBA received a disclaimer of opinion on its 2021 financial statement audit and the OIG is working with the Agency to improve its financial controls. OIG will provide oversight and monitoring of SBA's cloud migration, IT security, and application development activities, including new systems under development and the Agency's compliance with FISMA. The scope of the FISMA evaluation is anticipated to expand as OIG evaluates Agency progress in implementing initiatives designed to strengthen and enhance federal cybersecurity. OIG and an independent public accountant have previously identified systemic problems with security controls over SBA's IT systems and this area remains one of the most serious management challenges facing the Agency.

OIG also plans to continue to monitor systems development activities related to improvements to financial and program related systems as well as investments, cost management, and reporting in cloud computing. Specifically, OIG will perform evaluations to improve SBA's controls over cybersecurity threats and vulnerabilities. OIG also will continue its mandated reviews of SBA's compliance with the DATA Act, the Improper Payments and Elimination Recovery Act, and purchase card and cash gifts acceptance and reporting guidelines.

## **Acquisition Processes**

OIG audits will continue to focus on SBA's compliance with federal contracting regulations and its policies and procedures over IT systems acquisition and project oversight. OIG efforts also will include monitoring system development activities related to SBA's Certify.gov platform. We will validate capital investment and data

security controls as well as assess whether software functionality was delivered to end users in accordance with project requirements.

## **Verification Inspection Program**

Over the years, Congress and other stakeholders have expressed concern about unimplemented OIG recommendations governmentwide. Recognizing the importance of assuring the agency has implemented OIG recommendations, we instituted a verification inspection program. This program will involve follow-up reviews to ensure SBA has implemented agreed upon corrective actions and that they are operating as intended.

Given the magnitude and significance of our previous, ongoing, and planned work, particularly considering SBA's role in the COVID-19 response, it is imperative for us to have adequate funding and staffing to meet this organizational need.

## **Other OIG Activities**

In addition to investigations, audits, inspections, and other reviews, OIG will provide leadership and coordination to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of, and to prevent and detect fraud and abuse in, such programs and operations. The activities described below ensure that OIG can fulfill this statutory mandate and leverage external entities through training and outreach activities.

### **Security Operations**

OIG's Office of Security Operations will continue to perform required employee background investigations to achieve a high level of integrity in OIG's workforce and adjudicate OIG employees and contractors for issuance of personal identity verification cards pursuant to Homeland Security Presidential Directive 12 requirements.

### **OIG Hotline**

Hotline staff conduct a preliminary review and analysis of all complaints received to determine the appropriate course of action. The OIG Hotline is staffed by OIG employees who process and analyze allegations of fraud, waste, abuse, or serious mismanagement in SBA or its programs from employees, contractors, and the public. As part of the hotline process, staff may coordinate reviews of allegations within OIG, with SBA program offices, or with other governmental agencies. Most Hotline complaints are submitted through an online complaint submission system located on

OIG's website. Those who report information can do so openly, anonymously, and confidentially, without fear of reprisal.

Pursuant to the Whistleblower Protection Coordination Act, OIG has designated a Whistleblower Coordinator within the Hotline function to educate SBA employees about prohibitions on retaliation for whistleblowing, as well as employees' rights and remedies if anyone retaliates against them for making a protected disclosure. In addition, the National Defense Authorization Act of 2013, which was made permanent in December 2016, created a pilot program extending whistleblower protections to government contractors, subcontractors, and grantees. These provisions may result in the Hotline receiving an increased number of complaints. Additionally, this law mandates OIG investigations of these complaints and a report to the SBA Administrator to consider corrective action on the part of the contractor/grantee.

## **Review of Proposed Regulations and Initiatives**

As part of OIG's proactive efforts to promote accountability and integrity and reduce inefficiencies in SBA programs and operations, OIG reviews new or revisions to existing SBA program directives, such as regulations, internal operating procedures, policy notices, and SBA forms that are completed by lenders and the public. Frequently, OIG identifies concerns in these proposals and submits comments for the Agency's consideration to promote controls that are more effective and deter fraud, waste, or abuse.

## **Debarment and Administrative Enforcement Actions**

As a complement to criminal and civil fraud investigations, OIG continually promotes the use of suspensions, debarments, and other administrative enforcement actions to protect taxpayer funds from those who have engaged in fraud or otherwise exhibited a lack of present responsibility. OIG regularly identifies individuals and organizations for debarment and other enforcement actions and submits detailed referrals with supporting evidence to the appropriate SBA officials. OIG also supports actions at other federal agencies through training and direct case assistance.

## **Training and Outreach**

As demonstrated by the results discussed prior, OIG will continue to conduct training and outreach sessions on topics related to fraud in government lending and contracting programs. Providing such training will better equip the federal oversight community with the knowledge and skills necessary to pursue small business contracting fraud cases.



During 2020, OIG cohosted the Small Business Procurement Integrity Seminar with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Training Institute. This seminar consolidated key program information with practical lessons learned for handling small business contracting fraud in a daylong interactive training. In response to the pandemic, OIG shifted its training platform from onsite to a virtual training, with a successful offering in April 2020. Unfortunately, OIG's unprecedented volume of work generated by pandemic-related fraud limited its ability to assign resources to offer this seminar in FY2021.

Since March 2020, Investigation's Division has participated in over 350 liaison and outreach efforts related to the CARES Act. Immediately following the enactment, OIG proactively reached out to Department of Justice and U.S. Attorney's Offices to educate and coordinate efforts to investigate fraud involving the SBA PPP and EIDL programs. OIG criminal investigators developed CARES Act-specific training to educate the law enforcement community and financial institutions and presented the trainings throughout the country. These efforts have provided key stakeholders with the knowledge they require to effectively detect and deter fraud in the programs and respond accordingly.

## **OIG Performance and Statistical Accomplishments**

During FY 2020, OIG achieved \$142.5 million in monetary recoveries and savings—a sixfold return on investment to the taxpayer. During FY 2020, OIG investigations resulted in 63 indictments/informations, 32 convictions, and more than \$51.4 million in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2020, OIG issued 20 reports with 91 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. For FY 2020, the Audits Division achieved \$64.8 million in dollar accomplishments relative to recommendations that costs were disallowed and agreed to by management or that funds be put to better use and agreed to by management.

During FY 2021, OIG investigations resulted in 272 indictments/informations, 137 convictions, and more than \$4.23 billion in potential recoveries, fines, asset forfeitures, civil fraud settlements, or loans/contracts not being approved or being canceled. During FY 2021, OIG issued 19 reports with 119 recommendations for improving the Agency's operations, identifying improper payments, and strengthening controls to reduce fraud and unnecessary losses in SBA programs. OIG's EIDL and PPP oversight and investigative work resulted in 366 indictments, 294 arrests, and 142 convictions related

to PPP or EIDL by December 2021, with associated amounts totaling more than \$460 million. Additionally, OIG collaboration with SBA and the U.S. Secret Service has resulted in the seizure of more than \$1 billion stolen by fraudsters in the EIDL program. We also played a key role in assisting financial institutions in the return of another \$3.1 billion to the SBA's EIDL program.

## Statistical Highlights in FY 2020

**Table 2: 2020 Summary of OIG Dollar Accomplishments**

<b>Dollar Accomplishments as a Result of Investigations and Related Activities</b>	<b>Amount</b>
Potential Investigative Recoveries & Fines	\$51,389,743
Asset Forfeitures Attributed to OIG Investigations	\$69,000
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$26,293,440
Investigations Subtotal	\$77,752,183
<b>Dollar Accomplishments as a Result of Audit Activities</b>	<b>Amount</b>
Disallowed Costs Agreed to by Management	\$64,796,672
Recommendations That Funds Be Put to Better Use Agreed to by Management	0
Audit Subtotal	\$64,796,672
<b>Total OIG Dollar Accomplishments</b>	<b>\$142,548,855</b>

**Table 3: 2020 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities**

<b>Activities</b>	<b>Amount</b>
Reports Issued	20
Recommendations Issued	91
Dollar Value of Costs Questioned	\$64,804,274
Dollar Value of Recommendations That Funds Be Put to Better Use	\$0
Recommendations for Which Management Decisions Were Made	88
Recommendations Without a Management Decision	13
Collections as a Result of Questioned Costs	\$393,172

**Table 4: 2020 Indictments, Convictions, and Case Actions**

<b>Actions</b>	<b>Amount</b>
Indictments from OIG Cases	63
Convictions from OIG Cases	32
Cases Opened	295
Cases Closed	118

**Table 5: 2020 SBA Personnel Actions Taken as a Result of Investigation**

<b>Actions</b>	<b>Amount</b>
Dismissals	1
Resignations/Retirements	1
Suspensions	0
Reprimands	1

**Table 6: 2020 Program Actions Taken During the Reporting Period as Result of OIG Action**

<b>Actions</b>	<b>Amount</b>
Present Responsibility Referrals to the Agency	47
Pending at the Agency as of September 30, 2018	36
Suspensions Issued by the Agency	24
Proposed Debarments Issued by the Agency	24
Final Debarments Issued by the Agency	27
Present Responsibility Matters Declined by the Agency	4
Administrative Agreements Entered by the Agency in Lieu of Debarment	1
Present Responsibility Actions by Other Agencies	15

Note: The Agency closed four of these referrals after the reporting period.

**Table 7: 2020 Agency Legislative and Regulatory Proposals Reviewed**

<b>Actions</b>	<b>Amount</b>
Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	140
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	28

## Reports Issued in FY 2020

**Table 8: Top Management Challenges**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
The Most Serious Management and Performance Challenges Facing SBA in FY 2020	20-01	10/11/2019	\$0	\$0
Program Subtotal	1	—	\$0	\$0

**Table 9: Agency Management**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Independent Auditors' Report on SBA's Compliance with Data Act Reporting	20-02	11/7/2019	\$0	\$0
Independent Auditors' Report on SBA's FY 2019 Financial Statements	20-04	11/15/2019	\$0	\$0
KPMG Management Letter Communicating Matters Relative to SBA's FY 2019 Financial Statement Audit	20-05	12/10/2019	\$0	\$0
SBA's FY 2019 Cash Contributions and Gifts	20-06	2/11/2020	\$7,602	\$0
Weakness Identified During the FY 2019 Federal Information Security Modernization Act Review	20-10	3/30/2020	\$0	\$0
Independent Auditors' Report on SBA's Compliance with Improper Payments Elimination and Recovery Act of 2010	20-15	5/12/2020	\$0	\$0
Evaluation of Certify.SBA.Gov	20-17	7/30/2020	\$0	\$0
Program Subtotal	7	—	\$7,602	\$0



**Table 10: Credit/Capital Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Audit of SBA's Oversight of High-Risk Lenders	20-03	11/12//2019	\$13,313,560	\$0
Audit of the SBA's Community Advantage Pilot Program	20-08	3/18/2020	\$51,472,944	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits of Economic Stimulus Loans	20-11	4/3/2020	\$0	\$0
Flash Report: Small Business Administration's Implementation of the Paycheck Protection Program Requirements	20-14	5/8/2020	\$0	\$0
Office of Inspector General High Risk 7(a) Loan Review Program	20-18	8/25/2020	\$0	\$0
Audit of SBA's Compliance with the Debt Collection Improvement Act, as Amended	20-20	9/30/2020	\$0	\$0
Program Subtotal	6	—	\$64,786,504	\$0

**Table 11: Disaster Assistance**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Audit of the Office of Disaster Assistance Improper Payment Appeal Process	20-07	2/20/2020	\$0	\$0
White Paper: Risk Awareness and Lessons Learned from Audits and Inspections of Economic Injury Disaster Loans	20-12	4/3/2020	\$0	\$0
Serious Problems and Deficiencies in Internal Controls Over Economic Injury Disaster Loan Program Pertaining to the Response to COVID-19	20-16	7/28/2020	\$0	\$0
Program Subtotal	3	—	\$0	\$0



**Table 12: Contracting/Counseling Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Audit of SBA's Cooperative Agreement with Arsenal Business and Technology Partnership's Veterans Business	20-09	3/24/2020	\$10,168	\$0
White Paper: Risk Awareness and Lessons Learned from Prior Audits Entrepreneurial Development Programs	20-13	4/23/2020	\$0	\$0
SBA's Corrective Actions to Reduce 8(a) Firm Eligibility Risks	20-19	9/15/2020	\$0	\$0
Program Subtotal	3	—	\$10,168	\$0

## Statistical Highlights in FY 2021

**Table 13: 2021 Summary of OIG Dollar Accomplishments**

<b>Dollar Accomplishments as a Result of Investigations and Related Activities</b>	<b>Amount</b>
Potential Investigative Recoveries and Fines	\$137,039,230
Asset Forfeitures Attributed to OIG Investigations	\$23,514,962
Other Recoveries (e.g., administrative seizures with partner law enforcement agencies)	\$4,095,000,000
Loans/Contracts Not Approved or Canceled as a Result of Investigations	\$25,054,068
Investigations Subtotal	\$185,608,260
<b>Dollar Accomplishments as a Result of Audit Activities</b>	<b>Amount</b>
Disallowed Costs Agreed to by Management	\$785,961
Recommendations That Funds Be Put to Better Use Agreed to by Management	\$0
Audit Subtotal	\$785,9610
<b>Total OIG Dollar Accomplishments</b>	<b>\$4,281,394,221</b>

**Table 12: 2021 Efficiency and Effectiveness Activities Related to Audit, Other Reports, and Follow-up Activities**

<b>Activities</b>	<b>Amount</b>
Reports Issued	19
Recommendations Issued	119
Dollar Value of Costs Questioned	\$21,716,963
Dollar Value of Recommendations That Funds Be Put to Better Use	\$0
Recommendations for Which Management Decisions Were Made	108
Recommendations Without a Management Decision	15
Collections as a Result of Questioned Costs	\$855,116

**Table 13: 2021 Indictments, Convictions, and Case Actions**

<b>Actions</b>	<b>Amount</b>
Indictments From OIG Cases	272
Convictions From OIG Cases	137
Cases Opened	398
Cases Closed	206

**Table 14: 2021 SBA Personnel Actions Taken as a Result of Investigation**

<b>Actions</b>	<b>Amount</b>
Dismissals	0
Resignations/Retirements	0

<b>Actions</b>	<b>Amount</b>
Dismissals	0
Suspensions	0
Reprimands	0
Other	0

**Table 15: 2021 Program Actions Taken During the Reporting Period as Result of OIG Action**

<b>Actions</b>	<b>Amount</b>
Present Responsibility Referrals to the Agency	19
Pending at the Agency as of March 31, 2021	43
Suspensions Issued by the Agency	4
Proposed Debarments Issued by the Agency	8
Final Debarments Issued by the Agency	8
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

**Table 16: 2021 Agency Legislative and Regulatory Proposals Reviewed**

<b>Actions</b>	<b>Amount</b>
Legislation, Regulations, Standard Operating Procedures, and Other Issuances Reviewed	148
Comments Provided by OIG to Improve Legislation, Regulations, Standard Operating Procedures, and Other Issuances	13

## Reports Issued in FY 2021

**Table 17: Top Management Challenges**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Top Management and Performance Challenges Facing SBA in FY 2021	21-01	10/16/2020	\$0	\$0
Program Subtotal	1	—	\$0	\$0

**Table 8: Agency Management**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Independent Auditors' Report on SBA's FY 2020 Financial Statements	21-04	12/18/2020	0	0
SBA's Controls Over Cash Contribution and Gifts, Fiscal Years 2019-20	21-10	3/25/2021	0	0
SBA's FY 2020 Compliance with PIIA	21-16	5/12/2021	0	0
FY 2020 Federal Information Security Modernization Act Review	21-17	7/6/2021	0	0
Evaluation of SBA's Coronavirus Reconstitution Plan	21-18	7/12/2021	0	0
Program Subtotal	5	—	0	0

**Table 9: Credit/Capital Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Evaluation of the CARES Act Debt Relief to 7(a) Borrowers	21-03	12/1/2020	0	0
Management Alert Paycheck Protection Program Loan Recipients on the Department of Treasury's Do Not Pay List	21-06	1/11/2021	0	0
Inspection of the SBA's Implementation of the Paycheck Protection Program	21-07	1/14/2021	0	0
Duplicate Loans Made Under the Paycheck Protection Program	21-09	3/15/2021	0	0
The Small Business Administration's Implementation of Recommended Controls and the Economic Aid Act	21-19	8/12/2021	0	0
Program Subtotal	5	—	0	00

**Table 10: Contracting/Counseling Programs**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Evaluation of SBA's Award Procedures for the CARES Act Entrepreneurial Development Cooperative Agreements	21-11	3/30/2021	0	0
Evaluation of SBA's Eligibility Verification of 8(a) Firms Owned by Members of Federally or State-Recognized Indian Tribes	21-12	3/31/2021	10,916,487	0
Audit of SBA's Oversight of Women's Business Centers' Compliance with Cooperative Agreement Financial Requirements	21-14	5/4/2021	\$785,961	0
<b>Program Subtotal</b>	<b>3</b>	<b>—</b>	<b>\$11,702,448</b>	<b>0</b>

**Table 11: Disaster Assistance**

<b>Title</b>	<b>Report Number</b>	<b>Issue Date</b>	<b>Questioned Costs</b>	<b>Funds for Better Use</b>
Inspection of Small Business Administration's Initial Disaster Assistance Response to the Coronavirus Pandemic	21-02	10/28/2020	0	0
Consolidated Results of SBA's Initial Disaster Assistance Response to Hurricanes Harvey, Irma, and Maria	21-05	12/23/20	0	0
SBA's Use of Vendors Without a Contract	21-08	2/3/2021	10,800,476	0
Serious Concerns About SBA's Control Environment and the Tracking of Performance Results in the Shuttered Venue Operators Grant Program	21-13	4/7/2021	0	0
SBA's Handling of Identity Theft in the COVID-19 Economic Injury Disaster Loan Program	21-15	5/6/2021	0	0
Program Subtotal	5	—	\$10,800,476	0



## Reporting Requirements Under the Inspector General Reform Act of 2008

The following information is provided in accordance with the Inspector General Reform Act of 2008, as amended (P.L. 110-409).

**Table 24: FY 2023 Budget Request, Dollars in Millions**

Dollars in Millions	FY 2021 Actual	FY 2022 Full Year CR	FY 2023 Request	FY 2023 Increase/ Decrease
New Budget Authority	\$22.011	\$22.011	\$32.02	\$10.01
Transfer from Disaster Loan Program	\$1.6	\$1.6	\$1.6	\$0
<b>Total</b>	<b>\$23.611</b>	<b>\$23.611</b>	<b>\$33.62</b>	<b>\$10.01</b>

OIG's FY 2023 budget request includes \$245,000 for training, which is sufficient to satisfy all training needs for the FY, and \$100,000 for the operation of CIGIE.

## OIG Organizational Structure

In addition to the Office of Counsel to the Inspector General, three divisions assist in carrying out the statutory responsibilities of the OIG: the Audits Division, Investigations Division, and the Management and Operations Division.

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 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's 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 balance of the engagements is discretionary and focuses on high-risk activities and identified management issues.

The **Investigations Division** manages a program 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 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.

The **Management and Operations Division** provides business support (e. g., budget and financial management, human resources, IT, data analytics, and procurement) for various OIG functions and activities.

OIG's headquarters is in Washington, DC. Its field staff are located in Atlanta, GA; Chicago, IL; Dallas-Fort Worth, TX; Detroit, MI; Denver, CO; Herndon, VA; Houston,

TX; Los Angeles, CA; Miami, FL; New York, NY; Philadelphia, PA; Federal Way, WA; and Washington, DC.

An organizational chart for OIG is provided on the next page.

U.S. Small Business  
Administration  
Office of Inspector General

