



Why SBA OIG Did This Study

OIG conducted this review to provide a comprehensive estimate of the potential fraud in the U.S. Small Business Administration’s (SBA) pandemic assistance loan programs.



What SBA OIG Found

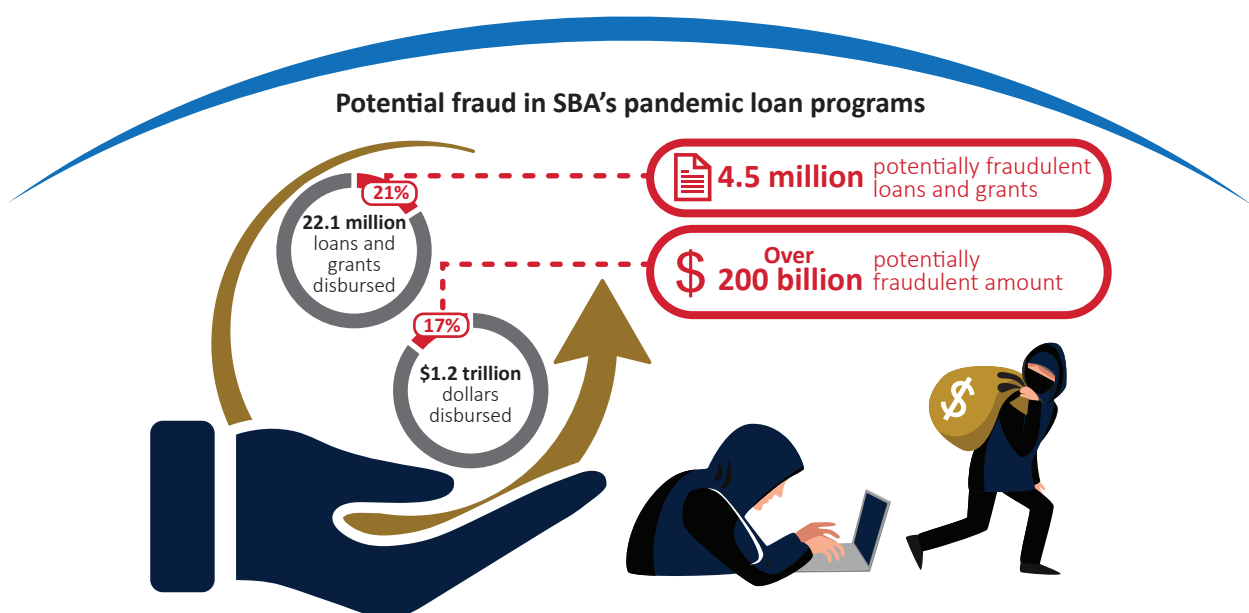
OIG estimates that SBA disbursed over \$200 billion in potentially fraudulent COVID-19 EIDLs, EIDL Targeted Advances, Supplemental Targeted Advances, and PPP loans. This means at least 17 percent of all COVID-19 EIDL and PPP funds were disbursed to potentially fraudulent actors.



Plans for the Future

OIG continues to work on obtaining 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. The potential fraud estimates directly correlate to our investigative casework, adjudicated and ongoing criminal cases, and to schemes SBA OIG and other oversight agencies are continuing to unravel and then prosecute.

Pandemic-Related SBA OIG Accomplishments (from March 2020 to May 2023)



From the White Paper on COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape | Source: OIG analysis of COVID-19 EIDL and PPP data



 **570**
Ongoing Investigations

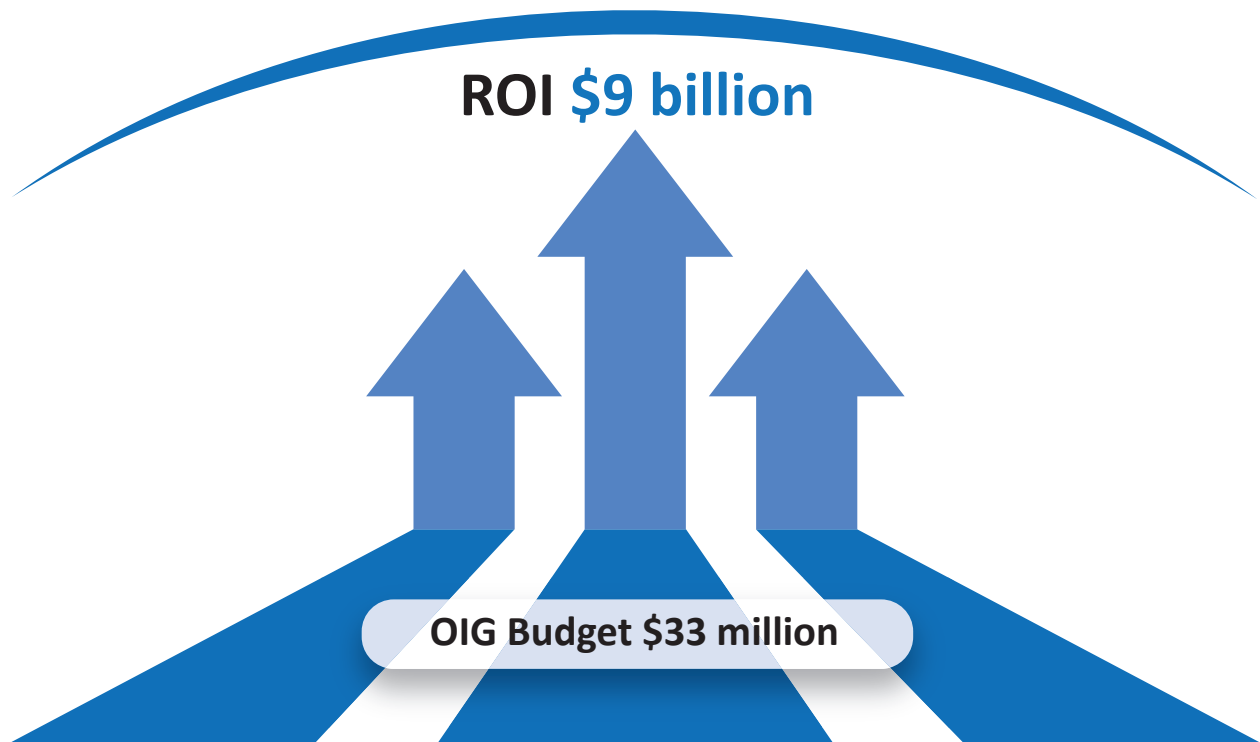
 **30**
Pandemic Related Reports

 **77**
Pandemic Related Recommendations

 **11**
Congressional Hearings

 **80+**
Congressional Briefings

 **29K+**
Email Subscribers From Public



During fiscal year 2021 and 2022, **OIG provided an exponential return on investment (ROI) to the taxpayer with \$9 billion in dollar accomplishments**, which includes investigative recoveries, fines, and forfeitures, as well as review findings of disallowed costs. Also, over \$8 billion in EIDL funds have been returned to SBA by financial institutions and another \$20 billion by borrowers. OIG has played a key role in the return of these funds through working with our law enforcement partners and financial institutions.



Fraud Indicators

1

Hold Codes

- COVID-19 EIDL and PPP borrowers whose loans were flagged by SBA or third-party lenders because they identified one or more potential indicators of fraud

2

Internet Protocol (IP) Addresses

- COVID-19 EIDL and PPP borrowers that appear to have submitted loan applications from (1) a foreign country or (2) the same IP address as other applications found to have a higher likelihood of fraud

3

Employer Identification Numbers (EIN)

- COVID-19 EIDL borrowers whose EIN: (1) matched another EIDL or PPP borrowers whose EIN matched another PPP loan or (2) was improperly formatted or began with a prefix that was not considered valid by the IRS in its loan application
- COVID-19 EIDL and PPP borrowers who appear to have established their business after the cutoff date to qualify for assistance

4

Bank Accounts

- COVID-19 EIDL borrowers who (1) received multiple COVID-19 EIDLs using the same bank account and routing number or (2) changed their deposit account from the one included on their application to a different bank account or debit card
- COVID-19 EIDL and PPP borrowers whose bank accounts matched other applications found to have a higher likelihood of fraud

5

Defaulted/No Loan Forgiveness

- PPP borrowers who have not made any payments, are in default, and have not applied for forgiveness

6

Hotline Complaints

- Borrowers whose COVID-19 EIDL or PPP loan was the subject of a complaint submitted to the OIG Hotline reporting various forms of fraud, waste, or abuse

7

Sole Proprietors/Independent Contractors Without Employer Identification Numbers (EIN)

- COVID-19 EIDL “advance” sole proprietor or independent contractor borrowers who claimed to employ more than one person but did not apply using Employer Identification Numbers (EIN), which are required of businesses with more than one employee

8

Suspicious Phone Numbers

- COVID-19 EIDL borrowers whose phone numbers match other applications found to have a higher likelihood of fraud

9

Suspicious Physical Addresses

- COVID-19 EIDL borrowers whose addresses match other applications found to have a higher likelihood of fraud

10

COVID-19 EIDL Advances

- COVID-19 EIDL applicants who received advances that were identified by SBA as potentially fraudulent

11

Suspicious Email Addresses

- COVID-19 EIDL and PPP borrowers whose email addresses came from potentially temporary domains that can disappear in the future or contain modifications such as dots, dashes, or plus signs that make them appear unique, but are essentially masked duplicates, as they do not alter where the email is sent from if appropriate
- COVID-19 EIDL borrowers whose email addresses match other applications found to have a higher likelihood of fraud

**Estimated Potential Fraud
Over \$200 billion**

From the White Paper on COVID-19 Pandemic EIDL and PPP Loan Fraud Landscape | Source: OIG methodology and analysis of COVID-19 EIDL and PPP borrower loan data