

What types of fraud are found in the SBIR Program?

Fraud can take on many forms in the Small Business Innovation Research (SBIR) Program. In the proposal stage, this can include submitting a plagiarized proposal; providing false information regarding the company, the Principal Investigator (PI), or work to be performed; seeking funding for work that has already been completed; or submitting duplicate proposals to multiple agencies for the same work.

Once a proposal is awarded, fraudulent activities include using award funds for personal use or for any use other than the proposed activities; submitting plagiarized reports or reports falsely claiming work has been completed; or claiming results for an award that were funded by a different source.

Which SBIR rules should you be particularly familiar with?

- Duplicate or overlapping proposals may not be submitted to multiple agencies without full disclosure to all agencies.
- The company must meet SBA's requirements for a small business, including being majority American owned and have 500 employees or fewer.
- The PI's primary employment must be with the company during the grant period. The PI may not be employed full time elsewhere.
- For Phase I, a minimum of two thirds of the research effort must be performed by the grantee company; for Phase II, a minimum of one-half of the research effort must be performed by the grantee company. Work performed by a university research lab is NOT work completed by the grantee company.
- University employees participating on an SBIR award should disclose their involvement to the university as well as their use of university facilities.

What if you break the rules?

If you commit fraud or other wrongdoing in applying for or carrying out an NSF SBIR award, we will investigate.

We refer violations of civil or criminal law to the Department of Justice (DOJ). If DOJ prosecutes you for fraud or false statements, you may be sentenced to prison and required to pay full restitution. If DOJ pursues a civil action under the False Claims Act, you may have to pay treble damages and \$11,000 for each false claim. In addition, NSF may terminate your awards and debar you from receiving grants or contracts from any federal agency.

Whom should you contact?

For any questions regarding your proposal or award, contact your NSF SBIR Program Director.

To report suspected fraud or other violations, contact OIG.

Who are we?

Each federal agency has an independent Office of Inspector General (OIG) charged with conducting objective audits and investigations, as well as preventing and detecting fraud, waste, and abuse. Within NSF's OIG, the Office of Investigations handles allegations of wrongdoing involving organizations or individuals that receive awards from, conduct business with, or work for NSF.

What do we do?

We investigate allegations in which NSF is the potential victim of fraud by employees, grantees, contractors, or others. We receive allegations from many sources, including proposal reviewers, agency employees, the OIG hotline, other OIG offices, and the public. We also handle all allegations of research misconduct involving NSF proposals and awards.

Did you receive ARRA funds?

The American Recovery and Reinvestment Act (ARRA) funded many NSF grants. Such grants have additional reporting requirements, and special ARRA whistleblower protections that prohibit retaliation against employees of grant recipients who disclose wrongdoing. NSF OIG investigates allegations of retaliation under ARRA grants. If you are aware of any wrongdoing under an NSF grant funded by ARRA, including retaliation against a whistleblower, you are required to report it to us.

If you want additional information or to report wrongdoing

Internet: oig.nsf.gov | oig@nsf.gov

Telephone: 703-292-7100

Anonymous Hotline: 1-800-428-2189

Fax: 703-292-9158

Mail: National Science Foundation,
Office of Inspector General, 4201 Wilson
Boulevard, Arlington, VA 22230

National Science Foundation

Office of Inspector General

Office of Investigations



Fraud and the SBIR Program