



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

October 27, 2016

The Honorable David Vitter  
Chairman, Committee on  
Small Business & Entrepreneurship  
United States Senate  
428A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Steve Chabot  
Chairman, Small Business  
Committee  
U.S. House of Representatives  
428A Russell Senate Office Building  
Washington, D.C. 20515

The Honorable Jeanne Shaheen  
Ranking Member, Committee on  
Small Business & Entrepreneurship  
United States Senate  
2361 Rayburn House Office Building  
Washington, D.C. 20510

The Honorable Nydia Velázquez  
Ranking Member, Small Business  
Committee  
U.S. House of Representatives  
B-343C Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Vitter, Chairman Chabot, Ranking Member Shaheen, and Ranking Member Velázquez:

As you know, the National Defense Authorization Act for Fiscal Year 2012 reauthorized the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs. Section 5143(c) of the statute requires the Inspector General of a Federal agency that participates in the SBIR or STTR programs to submit an annual report describing its investigations involving those programs. The U.S. Department of Education (ED) participates in the SBIR program; however, it does not participate in the STTR program as it does not have an extramural research or research and development budget in excess of \$1 billion.

Below you will find data required from the ED Office of Inspector General (OIG) for the SBIR program covering fiscal year (FY) 2016. ED SBIR program staff reported that its total SBIR obligation in FY 2016 was approximately \$7.5 million. As ED administers about 120 programs and disburses more than \$317 billion each year, the SBIR is a relatively small program within ED.

- (1) The number of cases referred to the Inspector General that relate to fraud, waste, or abuse with respect to the SBIR program.*

For FY 2016, no cases were referred to the OIG involving the SBIR program.

(2) *Report the actions taken in each case if fraud, waste, or abuse was determined to have occurred.*

N/A

(3) *If no action was taken, report the justification for action not being taken.*

N/A

(4) *Provide an accounting of the funds used to address fraud, waste, and abuse in the SBIR program, including a description of personnel and resources funded and funds that were recovered or saved.*

In October 2015 (fiscal year 2016), OIG conducted a video training session (webinar) aimed at assisting SBIR grant recipients in identifying and addressing fraud, waste, and abuse involving the SBIR program. As we provided training via the internet, the training costs were nominal (under \$500.00).

We will track and follow up on any allegations or complaints we receive involving ED's SBIR program and will be certain to relate our efforts in future reports. If you have any questions or if you need any additional information, please do not hesitate to contact me directly at (202) 245-6900, or have a member of your staff contact our Congressional Liaison, Catherine Grant, at (202) 245-7023.

Sincerely,



Kathleen S. Tighe  
Inspector General

cc: The Honorable John King, Secretary, U.S. Department of Education