



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

October 21, 2021

The Honorable Ben Cardin  
Chairman, Committee on Small Business  
And Entrepreneurship  
U.S. Senate  
428A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Nydia Velazquez  
Chair, Committee on Small Business  
U.S. House of Representatives  
2361 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Rand Paul  
Ranking Member, Committee on  
Small Business and Entrepreneurship  
U.S. Senate  
428A Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Blaine Luetkemeyer  
Ranking Member, Committee on Small Business  
U.S. House of Representatives  
2069 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Cardin, Chairwoman Velazquez, Ranking Member Paul, and Ranking Member Luetkemeyer:

As you know, the National Defense Authorization Act for fiscal year (FY) 2017 reauthorized the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs. The law 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 (15 U.S.C Section 638b(c)). The U.S. Department of Education (ED) participates in the SBIR program; however, ED 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 Office of Inspector General (OIG) for the SBIR program covering FY 2021. ED SBIR program staff reported that its total SBIR budget for FY 2021 was approximately \$13.7 million.

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

In FY 2021, the OIG received one allegation of possible fraud, waste, or abuse 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.*

The allegation detailed a potential administrative program violation; as such the matter was referred to ED's Institute of Education Sciences for appropriate action.

*(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.*

For the last several years the OIG has conducted video training sessions/webinars aimed at assisting SBIR grant recipients in identifying and addressing fraud, waste, and abuse involving the SBIR programs. As they are conducted over the internet, the training costs are nominal, averaging about \$500. The OIG held its FY 2021 session on October 13, 2020, and its FY 2022 session is scheduled for the week of October 18, 2021.

We will track and follow up on any allegations or complaints we receive involving ED's SBIR program and will be certain to describe 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,



Sandra D. Bruce

Deputy Inspector General Delegated the Duties of Inspector General

cc: The Honorable Miguel Cardona, Secretary, U.S. Department of Education