



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

October 30, 2017

The Honorable James Risch
Chairman, Committee on Small Business
And Entrepreneurship
U.S. Senate
4218A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Steve Chabot
Chairman, Small Business Committee
U.S. House of Representatives
2361 Rayburn House Office Building
Washington, D.C. 20515

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

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

Dear Chairman Risch, Chairman Chabot, Ranking Member Shaheen, and Ranking Member Velazquez:

As you know, the National Defense Authorization Act for fiscal year (FY) 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 my office for the SBIR program covering FY 2017. ED SBIR program staff reported that its total SBIR obligation in FY 2017 was \$7.9 million. As ED administers about 100 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 Office of Inspector General (OIG) that relate to fraud, waste, or abuse with respect to the SBIR program.

For FY 2017, 0 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.

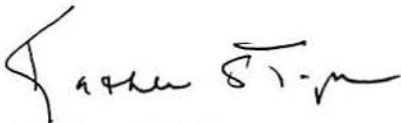
N/A

(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 September 2017 (FY 2017), the 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 the training via the internet, the training costs were nominal (\$500).

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,



Kathleen S. Tighe
Inspector General

cc: The Honorable Betsy DeVos, Secretary, U.S. Department of Education