

Combating Fraud

What types of fraud are found in the SBIR/STTR Programs?

- During Application Process:
 - Submitting a plagiarized proposal
 - Providing false information regarding the company, the Principal Investigator or work to be performed
 - Seeking funding for work that has already been completed
- During Award:
 - 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
 - Claiming results for an award that were funded by a different source

Knowing the Rules

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.
- For SBIR: The Principal Investigator's primary employment must be with the company during the grant period and he or she may not be employed full time elsewhere.
- For SBIR: 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.
- R&D must be performed in the United States.

Consequences

What happens if you break the rules?

- If you commit fraud or other wrongdoing in applying for or carrying out an SBIR/STTR award, DOE will investigate.
- DOE refers 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.
- DOE may terminate your awards and debar you from receiving grants or contracts from any federal agency.

2011 SBIR Fraud Case

Former UF professor sentenced to six months in prison for fraud

Dec. 11, 2011

A former UF nuclear engineering professor was sentenced to six months in prison Tuesday. Samim Anghaie, found guilty of fraudulently obtaining millions of dollars in government contracts in February, will go to prison Jan. 9. His wife, Sousan, was sentenced to six months of home confinement for her role in the crime.

The couple must pay the federal government \$390,252 in addition to \$100,000 in fines each. The Anghaies were convicted in February of conspiracy to commit wire fraud and more than 24 counts of wire fraud. The maximum penalty for each count of wire fraud is 20 years in prison.

The couple was accused in 2009 of submitting false information to obtain contracts from NASA and the U.S. Air Force. Some of the false information included research taken from UF students without their knowledge. The Anghaies were the targets of a federal investigation that included a search of Samim Anghaie's UF office. The university placed Samim Anghaie on leave in February 2009, and he resigned in November of that year after an additional internal investigation, said UF spokeswoman Janine Sikes. Had he not resigned, he would have been terminated, she said.

http://www.alligator.org/news/campus/article_edddc28c-1be1-11e1-b935-001cc4c03286.html

Reporting Fraud

The DOE OIG promotes the effective, efficient, and economical operation of DOE's programs and operations through audits, inspections, investigations, and other reviews.

THE DOE OIG investigates any fraudulent acts involving DOE, its contractors or subcontractors, or any crime affecting the programs, operations, Government funds, or employees of those entities.

Please use the following if you want additional information or want to report wrongdoing:

Internet: www.ig.energy.gov
E-mail: ighotline@hq.doe.gov
Telephone: 202-586-4073
Hotline: 1-800-541-1625
Fax: (202) 586-5697



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