



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

SAAL-ZT

11 July 2023

MEMORANDUM FOR RECORD

SUBJECT: Army Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Fraud, Waste, and Abuse Policy

1. Authorities and References:

a. 18 Code of Federal Regulations § 3c.3 and 5 Code of Federal Regulations Sec. 2635.101

b. DoD Directive 5500.07-R (Joint Ethics Regulations)

c. U.S. Small Business Administration (SBA) SBIR and STTR Program Policy Directive, 3 May 2023

2. Background. The Army SBIR and STTR program is a steward for critical Army Research, Development, Testing and Evaluation programs; the Army is dedicated to minimize the risk of Fraud, Waste and Abuse across the Army SBIR and STTR programs.

The Army SBIR/STTR Program trains Technical Points of Contact (TPOC) and judges annually on the SBIR/STTR fraud, waste, and abuse indicators and provides a means of reporting any suspected fraud, waste, or abuse.

3. Definitions: Fraud is the wrongful or criminal deception intended to result in financial or personal gain. Waste is the thoughtless or careless expenditure, mismanagement, or abuse of resources to the detriment of the U.S. government. Abuse is the improper or excessive use of an object, fund, or entity in a manner contrary to the natural or legal rules of its use.

4. SBIR/STTR fraud indicators include—

a. Search engine research depicting the applicant's website lacking information or inconsistent information, email addresses not associated with business accounts, or social media indicating outside employment of the principal investigator.

b. Overcommitment of the proposed principal investigator during the anticipated period of performance.

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c. Place of performance incapable of carrying out the proposed research, such as a residence, or listing a P.O. Box in lieu of a physical address.

d. Essentially equivalent work proposed for funding in more than one contract proposal or grant application submitted to the same Federal Agency or submitted to two or more different Federal Agencies for review and funding considerations.

e. Undisclosed relationships between the applicant and any proposed subcontractors inducing potential conflicts of interest or disallowed labor.

f. Misleading information such as fake investments, mischaracterizing employee statuses, falsifying principal investigator identity or duties, or presenting fictitious letters of commitment and support from industry experts.

5. Reporting fraud, waste, and abuse can be done by contacting the Department of the Army Criminal Investigative Division (DACID), the DoD Inspector General (IG) Fraud Hotline, the Army Audit Agency (AAA), the Judge Advocate General's Corp (JAGCNET) Website, local Procurement Fraud Advisor or by reporting a crime tip to DACID at www.cid.army.mil/Submit-a-Tip/.

6. The point of contact for this memorandum is Dr. Matthew P. Willis, matthew.p.willis.civ@army.mil or (703) 697-0682.

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and Army Applied SBIR Program