

DoD SBIR/STTR Training

# ABUSE

January 29, 2016



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## What is Abuse?

Abuse is the intentional or improper use of government resources that can include the excessive or improper use of one's position, in a manner contrary to its rightful or legally intended use.

## Who's responsible for abuse?

Individuals who abuse DoD resources include DoD civilian employees and individual service members.

## What contributes to abuse?

Corruption is the greatest contributor of abuse. It is the misuse of entrusted power.



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There are **3 types** of  
abuse. What are they?



## Type 1

### Misuse of Position

Government personnel using their position for personal benefit.

#### Examples

Misuse of rank, position, or authority in awarding SBIR contracts for **personal benefit** or to particular companies who do not provide the best value.

Negotiating for employment with a company that the government employee has an interest in or with, while awarding them an SBIR contract.

Misuse of DoD resources such as tools, vehicles, or computers.



## Type 2

### Accepting Bribes or Gifts

Acceptance by agency personnel of bribes or gifts in exchange for grant or contract awards.

#### Examples

Giving or receiving anything of value to influence an award and that prevent the government from getting the best value.

Government personnel using their official duties to garner personal or financial gain.

Acceptance of gifts from a vendor or contractor.

Government personnel soliciting bribes from small businesses, either directly or through financial transactions between a small business and another business the government official has a financial interest in.



## Type 3

### Providing Information to Preferred Vendors

Government officials providing information to companies that give them an unfair advantage over other potential vendors.

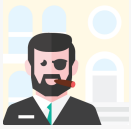
#### Examples

Providing proprietary government information to one or more small businesses.

A small business is close to a government official, or directly participated in **drafting the solicitation specs.**

Government personnel providing a favored vendor with **advantageous information** during the proposal process.

# **ABUSE CASE STUDY**

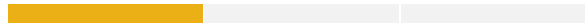


**CHERYL JOHNSON** | Federal Employee

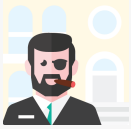
DoD - SBIR/STTR Program

Responsibility: approve and monitor the progress of phase II proposals.

Zox Inc., a small business attempting to receive a SBIR phase II contract, reached out to Cheryl about their phase II proposal. They **offer her a kickback** of 10% of the total contract value **to guarantee that they will receive a contract**. She agrees to do what she can to make sure that Zox Inc. is awarded a contract, as she is part of the review process for their proposal.







## ABUSE CASE STUDY



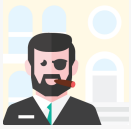
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Zox Inc. receives the phase II contract and **pays Cheryl by gifting her a series of prepaid credit cards**. Cheryl thought that this would be the best way for her to get the money, without it going in her personal bank account. She spends the money on the credit cards and assumes that she was able to get away with accepting the kickbacks.



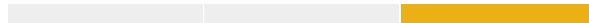


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Responsibility: approve and monitor the progress of phase II proposals.

Another SBIR employee, responsible for monitoring Zox Inc.'s progress on their phase II work, **notices some inconsistencies in the hours** Zox invoiced the government. Further investigation reveals that **inflated hours were meant to hide the money** that Zox gave to Cheryl as part of the kickback scheme. Cheryl **was fired from her job** as a result of the investigation. Zox Inc. **is barred from doing work with the government for several years.**





**Congratulations!**

**You've finished the lesson on Abuse**