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SBA's Office of Inspector General and Its Relationship with Congress: In Brief

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SUMMARY

Offices of the Inspector General (OIGs) exist in more than 70 federal agencies, including all Cabinet departments and larger agencies, numerous boards and commissions, and other entities. Together, OIGs and the Government Accountability Office (GAO) provide Congress with information and analysis to conduct oversight and, in the process, help Congress maintain its balance of power with the presidency. As with other OIGs, the U.S. Small Business Administration's Office of Inspector General (SBA OIG) was created under authority of the Inspector General Act of 1978 (P.L. 95-452, as amended). Its three primary statutory purposes are to:

- conduct and supervise audits and investigations of the SBA's programs and operations;
- recommend policies designed to promote the economy, efficiency, and effectiveness of the SBA's programs and operations and to prevent and detect fraud and abuse; and
- keep both the SBA administrator and Congress "fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action."

During FY2025, the SBA OIG issued 25 audit reports containing 123 recommendations for improving SBA's programs and operations, and its investigations resulted in 234 indictments and 221 convictions. For example, the SBA OIG continues to provide oversight of SBA's pandemic assistance programs, such as the Paycheck Protection Program (PPP) and COVID-19 Economic Injury Disaster Loan (EIDL) program. Although SBA appropriations have typically hovered near $1 billion annually, they surged to a high of more than $761.9 billion in FY2020. Between FY2020 and FY2025, the SBA OIG reported that its collaboration with SBA, the U.S. Secret Service, and other federal agencies and financial institutions assisted in the recovery of more than $30 billion in improper payments of PPP and COVID-19 EIDL funds.

This report provides an overview of the SBA OIG's statutory authorities, reporting requirements, funding, staffing and organizational structure and recent activities, including those related to COVID-19 pandemic program oversight. It also examines the reported monetary savings in SBA programs and operations as a result of the SBA OIG's work, and it concludes with observations concerning the SBA OIG's relationship with Congress. Issues of congressional interest may include funding and staffing capacity, independence and transparency of fraud audits and investigations, and oversight tasks related to SBA's pandemic-era programs.

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Introduction to Offices of Inspector General

In 1978, Congress passed the Inspector General Act of 1978 (IG Act, P.L. 95-452) to assist in oversight of the executive branch. Inspectors general (IGs) lead offices of inspector general (OIGs) that conduct various reviews of agency programs and operations—including audits, investigations, inspections, and evaluations—and provide findings and recommendations to improve them. Most OIGs, including the U.S. Small Business Administration OIG (SBA OIG), are governed by the IG Act. The act structures IG appointments and removals, powers and authorities, and duties and responsibilities. More than 70 statutory IGs operate in the federal government.[1] For additional information on IGs, see CRS Report R45450, *Statutory Inspectors General in the Federal Government: A Primer*, by Ben Wilhelm.

Duties and Responsibilities

IGs have five duties and responsibilities under the IG Act:

1. Conduct audits and investigations of their agencies' programs and operations[2]
2. Review legislation and regulations relating to their agencies and make recommendations in semiannual reports
3. Recommend policies to improve their agencies' program administration and operations and prevent and detect fraud and abuse
4. Recommend policies to facilitate relationships between their agencies and other federal, state, and local government agencies and nongovernmental entities to promote agency efficiency prevent and detect fraud and abuse
5. Keep both their agency heads and Congress fully informed concerning fraud and other serious problems and report on the progress made in implementing recommended corrective action[3]

In order to carry out the above responsibilities, the IG Act provides IGs with various authorities, including access to records, the authority to request information, the power to subpoena documents, and certain law enforcement powers.

Separate Funding

Federal law stipulates that certain OIGs (including the SBA OIG) must have an appropriations account separate from other agency accounts, known colloquially as a "line item."[4] IGs are authorized to transmit budget estimates and request to their respective agency heads each fiscal year as part of the annual budget process. Each IG's request must include amounts for operations

[1] See CRS Report R45450, *Statutory Inspectors General in the Federal Government: A Primer*, by Ben Wilhelm.

[2] OIG audits are conducted in accordance with federal audit standards established by the Comptroller General, and other reviews are generally conducted in accordance with standards established by the Council of the Inspectors General for Integrity and Efficiency. In addition, OIGs coordinate their activities with the Government Accountability Office (GAO) to avoid duplicating federal audits. See U.S. Congress, House Committee on Small Business, *SBA Management and Performance Challenges: The Inspector General's Perspective*, 114th Cong., 2nd sess., March 16, 2016, H. Hrg. 114-049 (GPO, 2016), p. 22.

[3] 5 U.S.C. §404(a).

[4] 31 U.S.C. §1105(a)(25).

and training and for the support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).[5]

By law, the President must include in the Administration's budget submission to Congress the IG's original request; the amount requested by the President for the OIG's operations, training, and support for CIGIE; and any comments the affected IG has regarding the proposal if the IG concludes that the President's budget would substantially inhibit the IG from performing the duties of the office.[6]

SBA's OIG and IGs

The SBA OIG is a separate, independent office within SBA that provides "independent, objective oversight to improve the integrity, accountability, and performance of the SBA."[7] The SBA IG directs the office and is

> appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.[8]

IGs report to the heads of their agencies or establishments and operate under their "general supervision"[9] but are provided various powers and protections that support their independence. For example, the SBA IG reports to the SBA administrator but

- may be removed from office only by the President[10];
- has the authority to hire staff[11];
- determines priorities and projects (e.g., audits, reviews, and investigations) without outside direction[12];
- cannot be prevented or prohibited "from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation";[13]
- must be provided "timely access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available … which relate

[5] 5 U.S.C. §406(g)(1). CIGIE is "an independent entity established within the executive branch to address integrity, economy and effectiveness issues that transcend individual Government agencies and aid in the establishment of a professional, well-trained and highly skilled workforce in the Offices of Inspectors General." See CIGIE, "What Is CIGIE?," https://www.ignet.gov/. CIGIE also includes the Integrity Committee, which oversees the conduct of high-ranking employees in the IG community and investigates wrongdoing against those employees. The authorities and duties of CIGIE are codified at 5 U.S.C. §424.

[6] 5 U.S.C. 6(g)(3).

[7] SBA, "Office of Inspector General," https://www.sba.gov/office-of-inspector-general.

[8] 5 U.S.C. §403(a).

[9] 5 U.S.C. §403(a).

[10] Provisions regarding the appointment, removal, suspension, and transfer of IGs, including the SBA IG, can be found in 5 U.S.C. §403.

[11] 5 U.S.C. §406(a)(7).

[12] 5 U.S.C. §406(a)(2). The SBA administrator, President, Members of Congress, SBA employees, and members of the public may request that a project take place, but, unless otherwise required by law, the SBA IG is not obligated to do so.

[13] 5 U.S.C. §403(a).

to programs and operations with respect to which [the SBA] Inspector General has responsibilities under this Act";[14] and

- must be provided "appropriate and adequate office space" and "such equipment, office supplies, and communications facilities and services as may be necessary for the operation of" the SBA OIG, including any "necessary maintenance services for such offices and the equipment and facilities located therein."[15]

Recent SBA IGs

The SBA's current IG is William W. Kirk, sworn in on January 6, 2026, following confirmation by the U.S. Senate. Prior to his appointment, from March 2025 to October 2025, Kirk served as acting chief of staff in the U.S. Department of Education OIG. He also held positions at the U.S. Environmental Protection Agency OIG, including deputy counsel to the inspector general and acting counsel to the inspector general.[16]

Prior to IG Kirk's tenure, the SBA OIG was led by IG Hannibal "Mike" Ware from 2018 to 2025.[17] IG Ware's tenure coincided with the implementation of SBA's pandemic relief programs. Following President Trump's second inauguration, IG Ware was among several IGs removed from their positions in January 2025.[18] Before becoming SBA IG, he had served as the SBA Deputy IG beginning in April 2016.

Prior to IG Ware's tenure, Peggy Elizabeth Gustafson served as the SBA IG from 2009 to 2017. She was sworn in as the SBA IG on October 2, 2009, and left to become the Department of Commerce's IG on January 9, 2017.

SBA OIG Funding[19]

Each year, the SBA OIG transmits its own budget justification document to the SBA administrator, which is also made publicly available online.[20] The budget justification provides information on planned uses of requested appropriations as well as facts about appropriations for the prior fiscal year. **Table 1** shows the SBA OIG's appropriations over the FY2015-FY2026 period. In FY2026, the SBA OIG received an appropriation of $37.02 million, the bulk of which covers salaries and benefits for OIG staff (see **Appendix A** for OIG staffing information).[21]

Congress has appropriated additional funds to the SBA OIG for oversight and audits of SBA activities connected with substantial infusions of funding following events such as the 2008

[14] 5 U.S.C. §406(a)(1)(A).

[15] 5 U.S.C. 406(d).

[16] SBA, "William W. Kirk," at https://www.sba.gov/person/william-w-kirk/.

[17] Ware was nominated by President Trump to be SBA IG on October 16, 2017, confirmed by the Senate on April 26, 2018, and sworn in as SBA IG on May 24, 2018.

[18] For more information see CRS In Focus IF11546, *Removal of Inspectors General: Rules, Practice, and Considerations for Congress*, by Ben Wilhelm.

[19] The SBA is one of the smaller Cabinet-level agencies, with an annual budget of about $1 billion (with the exception of the COVID-19 era). For more information, see CRS Report R43846, *Small Business Administration (SBA) Funding: Overview and Recent Trends*.

[20] The SBA OIG's budget justification documents for FY2010-FY2027 are available at https://www.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

[21] SBA OIG, *FY 2027 Congressional Budget Justification and FY 2025 Annual Performance Report*, p. 17, https://legacy.sba.gov/sites/default/files/2026-04/5%20SBA%20FY%202027%20CBJ%20Final.pdf (hereinafter SBA OIG, *FY 2027 Congressional Budget Justification*).

financial crisis and the COVID-19 pandemic. In FY2009, the OIG was provided an additional $10 million to conduct oversight of $730 million provided to the SBA by P.L. 111-5, the American Recovery and Reinvestment Act of 2009. In FY2020, the OIG received an additional $25 million for oversight of $377.5 billion provided to the SBA by P.L. 116-136, the CARES Act. In FY2021, the OIG was provided an additional $20 million for oversight and audits of the $20 billion Targeted EIDL Advance payment program, and an additional $25 million by P.L. 117-2, the American Rescue Plan Act of 2021.

Table 1. Small Business Administration Office of Inspector General (SBA OIG) Appropriations, FY2015-FY2026

$ in Millions

Fiscal Year	New Budget Authority	Transfer from Disaster Loan Program Account	Other Adjustments	Total
2026	$37.020	$1.600		$38.620
2025	$37.020	$1.600	$50.000[a]	$88.620
2024	$37.020	$1.600		$38.620
2023	$32.020	$9.600		$41.620
2022	$22.671	$1.600		$24.271
2021	$22.011	$1.600	$45.000[b]	$68.611
2020	$21.900	$1.600	$25.000[c]	$48.500
2019	$21.900	$1.000		$22.900
2018	$19.900	$0.000	$7.000[d]	$26.900
2017	$19.900	$1.000		$20.900
2016	$19.900	$1.000		$20.900
2015	$19.400	$1.000		$20.400

Sources: P.L. 113-235, the Consolidated and Further Continuing Appropriations Act, 2015; P.L. 114-113, the Consolidated Appropriations Act, 2016; P.L. 115-56, the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017; P.L. 115-123, the Bipartisan Budget Act of 2018; P.L. 115-141, the Consolidated Appropriations Act, 2018; P.L. 116-6, the Consolidated Appropriations Act, 2019; P.L. 116-93, the Consolidated Appropriations Act 2020; P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); P.L. 116-260, the Consolidated Appropriations Act of 2021; the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III of the Consolidated Appropriations Act of 2021); P.L. 117-2, the American Rescue Plan Act of 2021; and P.L. 117-103, the Consolidated Appropriations Act, 2022; see also SBA OIG congressional budget justifications for FY2024-FY2026 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Notes:

a. In FY2025, P.L. 118-158, the American Relief Act, 2025, provided $2.249 billion in supplemental disaster appropriations to the SBA Disaster Loans Program Account. SBA OIG received a $50 million statutory transfer from the Disaster Loan Program Account for audits and reviews of disaster loans and the disaster loans programs.

b. In FY2021, P.L. 116-260, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Division N, Title III, of the Consolidated Appropriations Act of 2021) provided the SBA OIG $20 million to oversee the Targeted EIDL Advance payments grant program, and P.L. 117-2, the American Rescue Plan Act of 2021, provided the SBA OIG $25 million for oversight.

c. In FY2020, P.L. 116-136 provided the SBA OIG $25 million for oversight of the CARES Act's SBA lending provisions. The funding was available through September 30, 2024.

d. In FY2018, P.L. 115-123 provided the SBA OIG $7.0 million for investigative costs related to supplemental funding for SBA disaster loans.

e. In FY2013, P.L. 113-2 provided the SBA OIG $5.0 million to remain available until expended for expenses related to oversight of disaster loans following Hurricane Sandy. In addition, P.L. 112-25 and P.L. 113-6 imposed a federal government-wide sequestration process and a required 0.2% across-the-board rescission, resulting in a $1.101 million reduction from the SBA OIG's budget.

f. In FY2011, P.L. 112-10 imposed a 0.2% rescission on federal agencies, resulting in a reduction of $0.033 million from the SBA OIG's budget.

SBA OIG's Recent Activities

The SBA OIG conducts and supervises audits and investigations of the SBA's programs and operations. As a complement to its criminal and civil fraud investigations, the SBA OIG makes recommendations to SBA management regarding suspensions, debarment, and other administrative enforcement actions against SBA lenders, borrowers, contractors, and others who have engaged in fraud or have otherwise exhibited a lack of business integrity. The SBA OIG also conducts, supervises, and participates in various training activities to help counter fraud in SBA programs. As of 2026, the SBA OIG reported that it had an active nationwide caseload of approximately 500 criminal, civil, and administrative investigations of potential loan, grant, and contracting fraud as well as other wrongdoing.[22]

Continued Pandemic Program Oversight

In addition to oversight of the SBA's lending, contracting, business counseling, and disaster assistance programming, the SBA OIG continues to provide oversight of SBA's COVID-19 pandemic assistance programs.[23] SBA's pandemic relief programs required the agency to increase its capacities. SBA roughly doubled its staff from FY2019 to FY2021 and also hired large numbers of contractors. Congress appropriated hundreds of billions of dollars in FY2020 and FY2021 for SBA to implement its pandemic relief programs. This significantly increased SBA's appropriations and responsibilities. SBA's FY2019 appropriation was $715 million, while its FY2020 appropriation was $762 billion, an over one-thousand-fold increase.[24]

In FY2025, the SBA OIG conducted reviews involving the Paycheck Protection Program (PPP), COVID-19 Economic Injury Disaster Loan (EIDL) program, and Shuttered Venue Operators Grant program. Pandemic loans will perform in SBA's portfolio for up to 30 years. In cases involving PPP and COVID-19 EIDL, the U.S. government will have until at least 2032 to prosecute program fraud.[25]

Audit Reports

During the most recent fiscal year for which data are available, FY2025, the SBA OIG issued 25 audit reports containing 123 recommendations for improving the SBA's operations.[26]

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[22] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 94.

[23] Government-wide pandemic program oversight has also been performed by the Pandemic Response Accountability Committee. See https://www.pandemicoversight.gov/.

[24] CRS Report R47694, *SBA as a Vehicle for Crisis Relief: Lessons from the COVID-19 Pandemic*, coordinated by Adam G. Levin.

[25] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 99. P.L. 117-165 and P.L. 117-166 extended the statutes of limitations to 10 years for PPP and COVID-19 EIDL fraud.

[26] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 110.

Table 2 provides the number of OIG audit reports and recommendations in FY2015 through FY2025, as well as the self-reported dollar amount in accomplishments, the value of costs questioned, and the value of recommendations that funds be put to better use.

Table 2. Small Business Administration Office of Inspector General (SBA OIG) Audits, FY2015-FY2025

$ in Millions

Fiscal Year	Number of Audit Reports	Number of Recommendations Issued/Acted Upon[a]	Dollar Amount in Accomplishments[b]	Value of Costs Questioned	Value of Recommendations That Funds Be Put to Better Use
2025	25	123/123	$3,762	$3,228.6	$0.0
2024	25	125/130	$200.5	$8,062.5	$0.0
2023	25	129/105	$4,500	$4,662.3	$0.0
2022	16	75/75	$3,807	$3,812.3	$0.0
2021	19	119/108	$0.8	$21.7	$0.0
2020	20	91/88	$142.5	$64.8	$0.0
2019	23	94/91	$111.0	$687.6	$0.0
2018	26	111/119	$145.4	$186.6	$0.0
2017	19	72/72	$2.1	$138.6	$0.0
2016	23	81/84	$3.2	$8.0	$1.3
2015	17	80/84	$15.0	$2.4	$9.1

Sources: See SBA OIG congressional budget justifications for FY2017-FY2027 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

a. The number of the SBA OIG's recommendations acted upon by the SBA in a fiscal year may exceed the number of recommendations issued by the SBA OIG, because the number acted upon may include recommendations issued in previous fiscal years.

b. This is the sum of disallowed costs agreed to by management and recommendations that funds be put to better use agreed to by management.

Investigations, Indictments and Convictions

In FY2025, the SBA OIG's investigations resulted in 234 indictments and informations and 221 convictions.[27] The OIG also issued 41 suspensions and 27 final debarments in FY2025.[28] **Table 3** provides the number of cases opened, the number of indictments, and the number of convictions resulting from OIG investigations from FY2015 through FY2025. The table also presents the reported dollar amount in recoveries and management avoidances for each of these fiscal years.

[27] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 111. An *information* differs from an *indictment* in that it is accusation against a person presented by a competent public officer on his oath of office instead of a grand jury on their oath (see https://www.justice.gov/archives/jm/criminal-resource-manual-201-indictment-and-informations).

[28] SBA OIG, *FY 2023 Congressional Budget Justification*, p. 39, https://legacy.sba.gov/sites/default/files/2022-04/FY%202023%20SBA%20Congressional%20Budget%20Justification-508-2022-0413%20updated.pdf. Debarred contractors, lenders, and borrowers are generally ineligible for new federal contracts or SBA loans for a fixed period of time, whereas suspended contractors, lenders, and borrowers are generally ineligible for the duration of any investigation or litigation involving their conduct. See U.S. Congress, House Committee on Small Business, *SBA Management and Performance Challenges: The Inspector General's Perspective*, 114th Cong., 2nd sess., March 16, 2016, H. Hrg. 114-049 (GPO, 2016), p. 29.

The significant increase in cases, indictments, convictions, and dollar amounts for recoveries and management avoidances in FY2021 results primarily from investigations of COVID-19 small business relief borrowers (e.g., PPP and EIDL borrowers).

Table 3. Small Business Administration Office of Inspector General (SBA OIG) Investigations, FY2015-FY2025

$ in Millions

Fiscal Year	Number of Cases Opened	Number of Indictments and Informations	Number of Convictions[a]	Recoveries and Management Avoidances[b]
2025	176	234	221	$533.3
2024	255	267	278	$458.4
2023	195	445	216	$387.9
2022	559	294	194	$316.8
2021	398	272	137	$4,280.6
2020	295	63	32	$77.8
2019	59	49	36	$77.4
2018	73	62	43	$79.0
2017	86	35	25	$79.9
2016	104	45	41	$141.5
2015	78	52	57	$118.8

Sources: See SBA OIG congressional budget justifications for FY2017-FY2027 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Notes:

a. The number of convictions may exceed the number of indictments and informations in a fiscal year, because a conviction in any fiscal year could result from an indictment or information issued in that fiscal year or a previous fiscal year.

b. This number is the sum of potential investigative recoveries and fines, asset forfeitures attributed to OIG investigations, other recoveries (e.g., administrative seizures with partner law enforcement agencies), loans or contracts not approved or canceled as a result of investigations, and loans not made as a result of name checks.

c. The number of suspensions and debarments issued by the SBA in response to a recommendation from the SBA OIG does not include the number of recommended suspensions and debarments pending at the end of the fiscal year.

Monetary Savings and Recoveries

As indicated in **Table 2** and **Table 3**, the SBA OIG reports that its audits and investigations resulted in monetary savings and recoveries each fiscal year. This includes monies from potential investigative recoveries and fines, asset forfeitures, other recoveries (administrative seizures with partner law enforcement agencies), and loans or contracts not approved or canceled in addition to disallowed costs agreed to by management.[29]

Most OIGs, including the SBA OIG, quantify their monetary savings by identifying and reporting amounts affected by their activities, and, in FY2025, the SBA OIG reported that its work was

[29] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 98.

associated with $3.76 billion in dollar accomplishments.[30] However, this approach has limitations: For example, precise data concerning monetary savings are not always readily available. In addition, from a budgetary perspective, the monetary savings identified is sometimes less than the actual monetary savings realized. For example, savings from disallowed costs agreed to by management could result in actual budgetary savings, but the recovery process typically takes time. The final savings for disallowed costs is often not known during the fiscal year in which it is reported. The SBA OIG's semiannual reports and annual congressional budget justifications refer to these disallowed costs as "dollar accomplishments."[31]

Recommendations Concerning the Impact of Legislation and Regulations

The SBA OIG routinely reviews proposed revisions to SBA regulations, policies, procedures, and other directives with an emphasis on strengthening internal controls to mitigate fraud risks.[32] As shown in **Table 4**, in FY2025, the SBA OIG conducted 138 reviews of legislation, regulations, standard operating procedures, and other issuances and submitted comments on 13 of these. It is difficult to determine the impact of this work, because the SBA OIG does not track or report data concerning the SBA's responsiveness to these comments.

Table 4. Legislation, Regulations, Standard Operating Procedures (SOPs), and Other Issuances Reviewed and Comments Provided, FY2015-FY2025

Fiscal Year	Legislation, Regulations, SOPs, and Other Issuances Reviewed	Number of Initiatives for Which Comments Were Provided
2025	138	13
2024	140	9
2023	136	15
2022	142	24
2021	148	13
2020	140	28
2019	112	37
2018	114	43
2017	101	36
2016	119	52
2015	129	72

Sources: See SBA OIG congressional budget justifications for FY2017-FY2027 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

Note: Other issuances include policy notices, procedural notices, the SBA administrator's action memoranda, and other SBA initiatives.

[30] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 110.

[31] For example, see SBA OIG, *FY 2027 Congressional Budget Justification*, p. 110.

[32] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 95.

Report on the Most Serious Management and Performance Challenges Facing the SBA

Pursuant to P.L. 106-531, the Records Consolidation Act of 2000, the SBA OIG issues an annual *Report on the Most Serious Management and Performance Challenges Facing the SBA*.[33] This report aims to help "prioritize its work to improve program performance and enhance operations."[34]

The FY2026 *Report on the Most Serious Management and Performance Challenges Facing the SBA* lists the following five challenges:

1. Protecting the integrity of SBA programs
2. Managing SBA's loan portfolio and participating lenders
3. Measuring performance and monitoring SBA programs
4. Financial reporting and managing data
5. Managing risks in information technology systems[35]

The report describes issues and examples of cases that reflect each of these challenges. The report also highlights OIG publications that are relevant to each challenge and recommended actions for SBA. For example, to address risks in information technology (IT) systems, the report states that "SBA should have multifactor authentication enabled for users to access the agency's secure network" and that "IT leaders must consistently identify and classify any AI [artificial intelligence] uses, particularly if they plan to leverage existing data and AI assets across the agency."[36]

SBA OIG's Relationship with Congress

Key to Congress's relationship with the SBA OIG is the flow of credible and impartial information. The IG Act requires IGs to keep their agencies' leadership and Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the agencies' administration of programs and operations and to report on the progress made in implementing recommended corrective action.

The SBA OIG meets its informational requirements through both formal and informal communication. Formal communication occurs through the publication of reports related to audits and investigations, semiannual and annual reports, press releases, official correspondence, and congressional testimony. The SBA IG testified before Congress once in 2020, three times in 2021, twice in 2022, five times in 2023, and once in 2026 (to date).[37] Informal communication may include consultation, briefings, or correspondence with SBA officials, congressional staff, and Members of Congress.

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[33] Reports are available at https://legacy.sba.gov/document/report-report-most-serious-management-performance-challenges-office-inspector-general.

[34] SBA OIG, *Report on the Most Serious Management and Performance Challenges in Fiscal Year 2026*, December 18, 2025, p. iv.

[35] SBA OIG, *Report on the Most Serious Management and Performance Challenges in Fiscal Year 2026*, p. v-vi.

[36] SBA OIG, *Report on the Most Serious Management and Performance Challenges in Fiscal Year 2026*, pp. 26-29.

[37] SBA OIG, "Congressional Testimony," https://www.sba.gov/about-sba/oversight-and-advocacy/office-of-inspector-general/congressional-affairs-and-media/. The SBA IG testified before Congress six times in 2011, once in 2012, three times in 2013, three times in 2014, none in 2015, once in 2016, four times in 2017, once in 2018, and twice in 2019.

SBA Oversight Issues of Congressional Concern

As Congress receives and assesses the information it receives from the OIG, it may direct attention or resources to certain agency oversight matters. Recently, the SBA OIG's work related to pandemic-era program oversight and contracting program oversight have drawn scrutiny, as discussed below. Congress may also call upon the partner entities that support the OIG's mission and effectiveness for additional information. According to testimony before the Senate Committee on Small Business and Entrepreneurship on December 10, 2025, the "institutional architecture" that helps find and prevent fraud and abuse relies on multiple entities in addition to OIGs, such as the Government Accountability Office and CIGIE, which hosts the Pandemic Response Accountability Committee (PRAC).[38]

Continuity of Pandemic Program Oversight

Since the implementation of COVID-19 pandemic relief programs began, Congress has expressed interest in the oversight of these programs. Oversight has been conducted by both the SBA OIG as well as the PRAC.[39] Because the SBA will have pandemic program loans in its portfolio for decades to come, Congress may monitor and ensure the continuity of pandemic program oversight. Congressional actions affecting this continuity include ensuring sufficient funding and staffing capacity. In addition, extensions of the statute of limitations for fraud related to pandemic programs may allow for the investigation of potentially criminal schemes that IG Kirk called "frequently complex, concealed, and time-intensive to investigate."[40] P.L. 117-165 and P.L. 117-166 extended the statutes of limitations to 10 years for PPP and COVID-19 EIDL fraud, allowing the government to prosecute program fraud until 2032.

Integrity of Contracting Program Oversight

The SBA has proceeded with its own administrative review of 8(a) Business Development Program participants.[41] At the same time, the SBA OIG has planned audit work for 2026 examining SBA's process for certifying firms' initial 8(a) program eligibility and SBA's oversight

[38] Testimony of Associate Dean for Government Procurement Law Studies Jessica Tillipman in U.S. Congress, Senate Committee on Small Business and Entrepreneurship, *Running Government Like a Small Business: Cut Waste, Crush Fraud*, 119th Congress, 1st Session, December 10, 2025, https://www.sbc.senate.gov/public/index.cfm/2025/12/running-government-like-a-small-business-cut-waste-crush-fraud_2_2.

[39] Congress created the PRAC through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) to conduct and support oversight of the federal government's pandemic response. Under current law the PRAC will operate through 2034, with funding appropriated by P.L. 119-21 (commonly known as the One Big Beautiful Bill Act).

[40] Testimony of SBA Inspector General William W. Kirk in U.S. Congress, Senate Committee on Small Business and Entrepreneurship, *From Fraud to Recovery: Restoring Integrity in Small Business Programs,* 119th Congress, 2nd Session, February 25, 2026, https://www.sbc.senate.gov/public/index.cfm/2026/2/from-fraud-to-recovery-restoring-integrity-in-small-business-programs_2.

[41] The SBA administrator announced a "full-scale audit of the [8(a)] program" in June 2025 and moved to suspend firms from the program for failure to submit documents requested of them by the SBA. SBA, "Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program," June 27, 2025, https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program; SBA, "SBA Orders All 8(a) Participants to Provide Financial Records," December 5, 2025, https://www.sba.gov/article/2025/12/05/sba-orders-all-8a-participants-provide-financial-records; SBA, "SBA Suspends Over 1,000 8(a) Firms from Program Following December Document Request," January 28, 2026, https://www.sba.gov/article/2026/01/28/sba-suspends-over-1000-8a-firms-program-following-december-document-request.

of entity-owned 8(a) firms and their community benefits reporting.[42] While the OIG is required to conduct its work consistent with Generally Accepted Government Auditing Standards (GAGAS)[43] and report its findings and recommendations to the SBA administrator and Congress upon completion, it remains unclear what procedures the SBA's program participant eligibility review will follow and how findings will be disclosed.

Because oversight "is only as effective as its independence, staffing, and transparency,"[44] Congress may wish to examine the processes, methodologies, and technical capabilities behind the SBA's administrative review. At the time that Congress passed the IG Act, it determined that there were serious deficiencies in the executive branch's own auditing and investigative activities.[45] OIGs were thus designed to provide Congress and federal agency heads with independent, nonpartisan analysis conducted in accordance with GAGAS.

[42] Kirk, testimony in From Fraud to Recovery. For more information about the SBA's 8(a) Business Development Program, see CRS Report R48190, *SBA's 8(a) Business Development Program: Structure and Current Issues*, by R. Corinne Blackford. Congress may be interested to know that as of the most recent SBA OIG semiannual report to Congress (covering the period October 1, 2025, through March 31, 2026), there were no open OIG recommendations related to the 8(a) program, although there were some related to the HUBZone program.

[43] GAGAS, also known as the Yellow Book, provides the preeminent standards for government auditing. GAO, "Yellow Book: Government Auditing Standards," https://www.gao.gov/yellowbook.

[44] Testimony of Jessica Tillipman, Associate Dean for Government Procurement Law Studies, in U.S. Congress, Senate Committee on Small Business and Entrepreneurship, *Running Government Like a Small Business: Cut Waste, Crush Fraud*, 119th Cong., 1st sess., December 10, 2025, https://www.sbc.senate.gov/public/index.cfm/2025/12/running-government-like-a-small-business-cut-waste-crush-fraud_2_2.

[45] The Senate report concluded that "with rare exceptions, the agencies have not adequately policed their own operations and programs." U.S. Congress, Senate Committee on Governmental Affairs, *Establishment of Offices of Inspector and Auditor General in Certain Executive Departments and Agencies*, 95th Cong., 2nd sess., August 8, 1978, S.Rept. 95-1071 (GPO, 1978), p. 9.

Appendix A. SBA OIG Staffing and Organizational Structure

As shown in **Table A-1**, the SBA OIG's FTEs have increased in recent years, largely reflecting its increased workload related to overseeing supplemental funding provided to the SBA to address the COVID-19 pandemic's adverse economic impact on small businesses. The number peaked in FY2024 at 211.

Table A-1. Small Business Administration Office of Inspector General (SBA OIG) Full-Time Equivalent Employees, FY2015-FY2027

Fiscal Year	Full-Time Equivalent Employees
2027	154 requested
2026	173 anticipated
2025	182
2024	211
2023	177
2022	155
2021	129
2020	118
2019	110
2018	110
2017	101
2016	96
2015	103

Sources: See SBA OIG congressional budget justifications for FY2018-FY2027 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

The SBA OIG's staff is organized into three divisions and several support offices:

- The **Auditing Division** performs and oversees audits and reviews of SBA programs and operations, focusing on SBA business and disaster loans and business development and government contracting programs, as well as mandatory and other statutory audit requirements involving computer security, financial reporting, and other work.
- The **Investigations Division** manages a program to detect and deter illegal and improper activities involving SBA's programs, operations, and personnel. The division has *criminal investigations staff* who carry out a full range of traditional law enforcement functions and *security operations staff* who conduct name checks and, where appropriate, fingerprint checks on program applicants to prevent known criminals and wrongdoers from participating in SBA programs. Security operations staff also conduct required employee background investigations.

- The **Management and Administration Division** provides business support (e.g., budget and financial management, human resources, IT, and procurement) for the various OIG functions and activities.
- The **Office of Counsel** provides legal and ethics advice to all OIG components; represents the OIG in litigation arising out of or affecting OIG operations; assists with the prosecution of criminal, civil, and administrative enforcement matters; processes subpoenas; responds to Freedom of Information and Privacy Act requests; and reviews and comments on proposed policies, regulations, legislation, and procedures.
- The **OIG Hotline**, under the purview of the **chief of staff**, reviews allegations of waste, fraud, abuse, or serious mismanagement within the SBA or its programs from employees, contractors, and the public.[46]

The SBA OIG's headquarters is located in Washington, DC. The SBA OIG's Investigations Division has 11 field offices that report to one of three regional offices: eastern, central, and western.[47]

[46] SBA OIG, *FY 2027 Congressional Budget Justification*, pp. 116-117.

[47] See SBA, "About the Office of Inspector General," https://www.sba.gov/about-sba/oversight-and-advocacy/office-of-inspector-general/about-the-office-of-inspector-general/.

Appendix B. SBA OIG Training and Outreach

The SBA OIG provides training and outreach sessions to better equip the federal, state, and local oversight communities with the knowledge and skills necessary to identify or pursue small business fraud cases.[48]

As shown in **Table B-1**, the SBA OIG provided more than 800 training sessions to more than 6,000 attendees in FY2025.

Table B-1. Small Business Administration Office of Inspector General (SBA OIG) Outreach and Training Sessions, FY2015-FY2025

Fiscal Year	Number of Sessions	Number of Attendees
2025	828	6,260
2024	708	4,348
2023	623	6,212
2022	754	7,700
2021	165	6,451
2020	194	4,964
2019	165	1,482
2018	184	1,933
2017	220	3,556
2016	74	1,717
2015	28	1,067

Sources: See SBA OIG congressional budget justifications for FY2017-FY2027 at https://legacy.sba.gov/document/report-congressional-budget-justification-annual-performance-report.

The data suggest that the SBA OIG provides numerous training and outreach sessions related to identifying and addressing fraud and that these sessions are well-attended. It is difficult to measure the impact of these activities on the SBA's interaction with other federal agencies.

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[48] SBA OIG, *FY 2027 Congressional Budget Justification*, p. 108.

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