As defined in the [SBIR Policy Directive](https://www.sbir.gov/sites/default/files/sbir_pd_with_1-8-14_amendments_2-24-14.pdf) section 9(f), fraud includes any false representation about a material fact or any intentional deception designed to deprive the United States unlawfully of something of value or to secure from the United States a benefit, privilege, allowance, or consideration to which an individual or business is not entitled. Waste includes extravagant, careless, or needless expenditure of Government funds, or the consumption of Government property, that results from deficient practices, systems, controls, or decisions. Abuse includes any intentional or improper use of Government resources, such as misuse of rank, position, or authority or resources.

Examples of fraud, waste, and abuse relating to the SBIR Program include, but are not limited to:  
  
(i) misrepresentations or material, factual omissions to obtain, or otherwise receive funding under, an SBIR award;  
  
(ii) misrepresentations of the use of funds expended, work done, results achieved, or compliance with program requirements under an SBIR award;   
  
(iii) misuse or conversion of SBIR award funds, including any use of award funds while not in full compliance with SBIR Program requirements, or failure to pay taxes due on misused or converted SBIR award funds;  
  
(iv) fabrication, falsification, or plagiarism in applying for, carrying out, or reporting results from an SBIR award;  
  
(v) failure to comply with applicable federal costs principles governing an award;  
  
(vi) extravagant, careless, or needless spending;  
  
(vii) self-dealing, such as making a sub-award to an entity in which the PI has a financial interest;  
  
(viii) acceptance by agency personnel of bribes or gifts in exchange for grant or contract awards or other conflicts of interest that prevents the Government from getting the best value; and

(ix) lack of monitoring, or follow-up if questions arise, by agency personnel to ensure that awardee meets all required eligibility requirements, provides all required certifications, performs in accordance with the terms and conditions of the award, and performs all work proposed in the application.