



## Service-Disabled Veteran-Owned Small Business (SDVOSB) Fraud

SDVOSB fraud is the attempt by ineligible individuals or entities to obtain and/or perform, or otherwise profit from contracts set aside by VA for small businesses that are owned and controlled by service-disabled veterans. In some instances, an SDVOSB will “pass through” much of the performance of the contract to a non-SDVOSB. Indicators of potential fraud include the following:

- The named owner who is an individual with disabilities incurred from military service has little to no experience with the work outlined in their awarded contracts.
- The SDVOSB does not appear to have enough employees to perform the nature or scope of the contracted work.
- Multimillion-dollar (high-value) contracts are secured with little or no past performance history.
- Equipment is rented from a non-SDVOSB to perform the SDVOSB’s contracted work.
- A teaming agreement is made with a non-SDVOSB.
- The SDVOSB “passes through” the performance of its contract to a non-SDVOSB by citing a joint venture that was not disclosed during the bidding process.

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