



SRA INTERNATIONAL
ANNUAL MEETING
SEATTLE 2023
OCTOBER 14-18

SBIR-STTR:

The Big Picture of Small Business Research

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What Are They?

SBIR

Small Business Innovation Research (SBIR)

STTR

Small Business Technology Transfer (STTR)

What Are They?

Small Business Innovation Research (SBIR)

Small Business Technology Transfer (STTR)

Allow US-owned and operated small businesses to engage in federal research and development that has a strong potential for commercialization

Participating Agencies



SBIR-STTR Overview

SBIR

Participating Agencies

STTR

Department of Agriculture
(USDA)

Department of
Commerce
(DoC)

Department of Defense
(DoD)

Department of Education
(ED)

Department of Energy
(DOE)

Department of Health
and Human Services
(HHS)

Department of Homeland
Security
(DHS)

Department of
Transportation
(DOT)

Environmental
Protection Agency
(EPA)

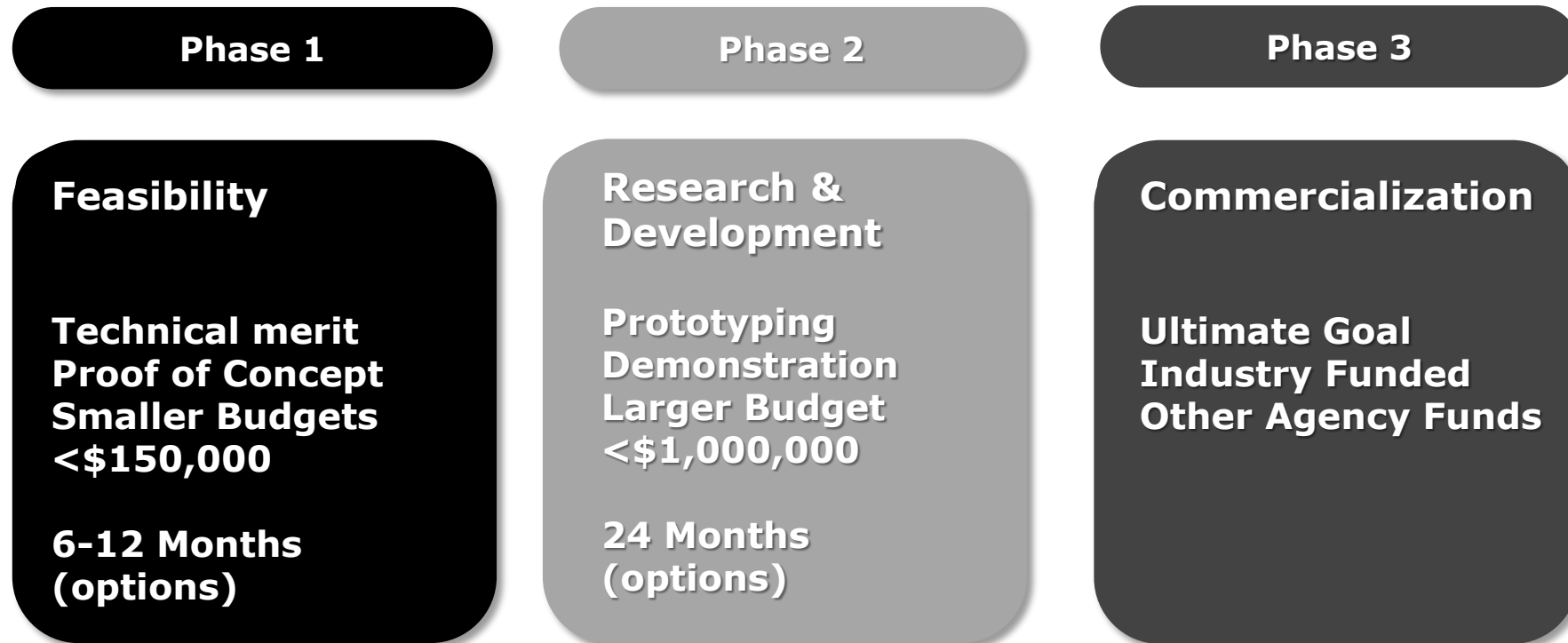
National Aeronautics and
Space Administration
(NASA)

National Science
Foundation
(NSF)

Award Year 2023

SBIR	STTR
5294	1288
Total funding: \$3,814,738,490.55	Total funding: \$614,232,134.09

SBIR-STTR Overview



Generally: Each phase is a separate project.
Awarded under a separate prime contract.

Purpose

- Promote Small Business
- Innovation
- Technology
- Commercialization

Purpose

- Promote Small Business
- Innovation
- Technology
- Commercialization

Process

- Program Requirements
- IP Rights

SBIR

Small Business (SBC) **May** Partner
with Research Institution (RI)

Project PI must employed primarily
with SBC

SBIR-STTR Basic Rules

SBIR

Small Business (SBC) **May** Partner with Research Institution (RI)

Project PI must employed primarily with SBC

STTR

SBC **MUST** Partner with RI

SBC: at least 40% of work
RI: at least 30% of work

Allocation of IP Rights
**may be incorporated into subcontract*

Project PI employed primarily with SBC or RI

SBIR *and* STTR

Only available to Small Businesses

For-profit business

Located in U.S.

500 or fewer employees

At least 51% owned and controlled by at least one U.S. Citizens or business

All work must be performed within the U.S.

Allocation of Rights

- Required for all STTR projects
- Establishes use and ownership of Project IP between SBC and RI
- Contains Basic IP terms in addition to the Government Rights
- Sometimes agencies require with the proposal

- Small Business Administration (SBA) requires AOR but...
- Separate agreement / specific terms **not** required
- [Model Agreement](#)
- Basic subcontract IP terms are sufficient absent a separate requirement

Considerations

- Program Requirements/Restrictions
- Agency-Specific Nuances
- Reqs and Certs
- Fundamental Research
- Allocation of IP Rights (STTR)

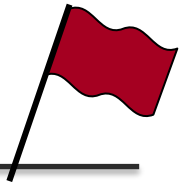
Considerations

- Contract or Grant
- Key Clauses
- Fundamental Research
- Mandatory for Prime vs. Mandatory Flowdown
- CU will **always** be a subcontractor

Considerations

- Start up knowledge / familiarity of program and rules
- Financial Interest of any faculty member or research team in the SBC applying for the funding
 - The Use of CU lab, students, staff, funds or other school resources to support enterprise
 - Use of RI's tax-exempt facilities to benefit small business
 - Motivated by advancing company's financial interest
 - IP licensing to SBC
- Creates a potential conflict over whether the RI stood to profit financially

Red Flags



- Company contact information
- Size and history with RI
- Statement of work
- Budget compared to overall Award amount

Mitigation Steps

- Secretary of State Business/Corporation Search
- Course of Action
- Contact COI Office
- COI Management Plan

Why Does any of this Matter?

False Claims Act 31 U.S.C. § 3729 (a)(1)

Civil Liability for

- **knowingly** presenting, or causing to be presented, a false or fraudulent claim to the government for payment or approval;
- **knowingly** making ... a false record or statement **material** to a false or fraudulent claim to the government...

- S

False Claims Act 31 U.S.C. § 3729 (b)(1)

“knowing” and “knowingly” is defined as

- Having **actual knowledge** of the information;
- Acting in **deliberate ignorance** of the truth or falsity of the information; or
- Acts in **reckless disregard** of the truth or falsity of the information
- Not required to prove intent to defraud

Criminal Liabilities may include...

Fraud	18 U.S.C. § 1341
Wire Fraud	18 U.S.C. § 1343
Attempt or Conspiracy	18 U.S.C. § 1349

2023 Vescent Technologies, Golden CO

- Paid \$400,000 to Settle False Claims allegation.
- Government claims Vescent certified compliance with SBIR program requirements
- Subcontracted with two foreign nationals for an SBIR Project.

2022 Aerojet Rocketdyne Inc., El Segundo, California,

- Paid \$9 million to settle False Claims allegation over misrepresenting cybersecurity compliance
- Former Aerojet employee filed claim whistleblower provisions of the False Claims Act,
- Alleged that Aerojet failed to comply with the DFARS and NFARS clauses, which require the protection of controlled unclassified information and other sensitive information.
- Intentionally omitted details of noncompliance that would have been material to the award.

United States v. Aldissi 758 Fed.Appx. 694 (11th Cir. 2018)

- Florida Husband and Wife, Scientists convicted of
 - Wire fraud,
 - Conspiracy to commit wire fraud,
 - Aggravated identity theft,
 - Falsification of records (15 counts total)
 - Husband sentenced serve 15years, Wife sentenced to 13 years and pay \$10,654,969 in restitution.
-
- Received over 10.6 million in SBIR Funds
 - Forged letters of support using cut and paste methods and Photoshop;
 - Misrepresented their access to lab space, and equipment, and their physical address;
 - Falsely listed inflated price quotes from consultants and subcontractors
 - they misrepresented PI eligibility;
 - they inflated companies' employee numbers; and
 - they mischaracterized their relationships with research institutions and commercial partners.

But if the small business company committed the acts,
How does this affect CU?

- What role did CU Play in preparing the proposal
- Relationship between CU and the Small Business
- Did CU know or have reason to Know
- Due Diligence

Mitigation Steps

- Secretary of State Business/Corporation Search
- Course of Action
- Contact COI Office
- COI Management Plan

Finally

- SBIR – STTR : Promote Small Business
- Research Institution: Valuable Resource
- Each Entity Bears Responsibility



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Questions/Forms/Templates

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