

**Are they really  
meeting  
ALL the contract  
goals?**



## **Disadvantaged Business Enterprise (DBE) Fraud**

Under this scheme, a contractor misrepresents who performed the contract work in order to increase job profit while appearing to be in compliance with contract goals for involvement of minority- or women-owned businesses.

**Recognize and Report Fraud in  
Federally Funded Programs,  
Contracts, and Grants**

**(800) 424-9071**

*U.S. Department of Transportation  
Office of Inspector General*

## Selected "Red Flag" Indicators of Disadvantaged Business Enterprise (DBE) Fraud

- ✓ DBE owner lacking background, expertise, or equipment to perform subcontract work
- ✓ Employees shuttling back and forth between prime contractor and DBE-owned business payrolls
- ✓ Business names on equipment and vehicles covered with paint or magnetic signs
- ✓ Orders and payment for necessary supplies made by individuals not employed by DBE-owned business
- ✓ Prime contractor facilitated purchase of DBE-owned business
- ✓ DBE owner never present at job site
- ✓ Prime contractor always uses the same DBE
- ✓ Financial agreements between prime and DBE contractors
- ✓ Joint bank accounts (Prime / DBE)
- ✓ Absence of written contracts

### Contact OIG using any of the following methods:

**Online complaint form:** [www.oig.dot.gov/dot-oig-hotline-complaint-form](http://www.oig.dot.gov/dot-oig-hotline-complaint-form)

**Telephone:** (800) 424-9071

**Fax:** (704) 556-0732

**E-mail:** [hotline@oig.dot.gov](mailto:hotline@oig.dot.gov)

**Mail:** USDOT Inspector General  
1200 New Jersey Ave. S.E., Room W73-104A  
Washington, DC 20590

*Note:* The OIG Hotline is obligated to expeditiously forward all safety-related complaints to USDOT's safety regulatory agencies for action, as appropriate.



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