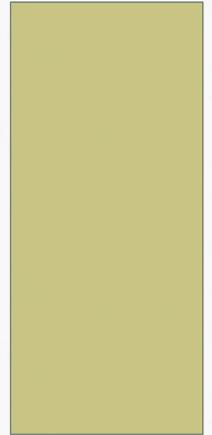




# SB/DVBE PROGRAM ABUSE

STATE DEPARTMENTS RESPOND TO  
ALLEGATIONS



# THE REALITY

- Incidents of program abuse can be reduced by:
  - Early Identification of Concerns
  - Active Contract Management
  - Investigating Complaints Immediately

# HOW COMPLAINTS MATERIALIZE

- Department Discovery
- Subcontractor Reports
- Other Contractor Reports

# THE GOOD NEWS

- State Departments are submitting Investigative Reports to the Office of Small Business & DVBE Services

# HOW TO RESPOND TO COMPLAINTS

- Have the complainant submit allegations in writing, when possible
- Submit a written acknowledgment to the complainant
- Review DVBE and Small Business Program Violations and Sanctions at <http://www.dgs.ca.gov/pd/Programs/OSDS/firmviolations.aspx>

# RESPOND TO COMPLAINTS (CONT.)

DVBE and Small Business Program Violations and Sanctions - Windows Internet Explorer

http://www.dgs.ca.gov/pd/Programs/OSDS/firmviolations.aspx

File Edit View Favorites Tools Help

Convert Select

Favorites Web Slice Gallery Free Hotmail Suggested Sites

DVBE and Small Business Program Violations and...

DGS GENERAL SERVICES Procurement Division

Home About Us Forms Programs & Services Resources

You are here > Programs & Services > Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS) > DVBE and Small Business Program Violations and Sanctions

## DVBE and Small Business Program Violations and Sanctions

California law permits the State to impose various sanctions on contractors, and in some cases, specific individuals (principals in the business), including prohibiting contractors from doing business with the State for specified periods of time under certain circumstances. Sanctions will result particularly in cases where small business (SB) and/or Disabled Veteran Business Enterprise (DVBE) certification was fraudulently obtained and/or misused in a State bid or contracting situation. They can also result from finding that a firm does not perform a "commercially useful function" or "CUF", as defined. SB and DVBE regulations further support the State's legal authority to enforce sanctions.

- Reporting Suspected DVBE or Small Business Program Violations
- DVBE Sanctions and Penalties
- Small Business Sanctions and Penalties
- Certified Non-Profit Veteran Service Agencies (NVSA)
- Suspended and Debarred Contractors Listing
- Contact OSDS

What's New

- State Agency Recognition Awards 2013 ...
- Small Business & DVBE Outreach Events 2014 ...
- Prompt Payment Legislation SB 856 ...

View All news and events items

PD Quick Links

- Notice of Rulemaking
- SB/DVBE Legislation & Executive Orders
- Broadcast Bulletins
- Communications & Outreach
- SB/DVBE Reports
- eProcurement
- Prompt Payment
- DVBE Substitution Instructions and Form
- How to Establish Disabled Veteran Business Enterprise (DVBE) Equipment Ownership for **New Certifications**
- How to Establish Disabled Veteran Business Enterprise (DVBE) Equipment Ownership for **Renewal Certifications**

Accessibility Conditions of Use Privacy Policy Disclaimer Download Free Readers Report a Web problem

Copyright © 2013 State of California

Error on page. Trusted sites | Protected Mode: Off 100%

12:20 PM 1/28/2014

# COMPLETE YOUR REPORT

- Investigate the allegations
- Substantiate your department's position with evidence (e.g., contract, invoices, etc.)
- Prepare a written report that proves or disproves the allegations

# COMPLETE YOUR REPORT

- Seek your legal office's opinion
- Submit a memo to OSDs summarizing your report, evidence, and recommended action(s) within 60 business days from receipt of the complaint

# AUTHORITY

- Government Code:
  - § 14837 (d)(4)(A-B) 1896.14 (c)
  - § 14842.5 (a)(4-8)
  - § 14847 (a)
- Military & Veterans Code:
  - § 999 (b)(5)(B)
  - § 999.5 (d)
  - § 999.9 (a)(4-10)

## AUTHORITY (CONT.)

- **Public Contract Code 10115.10**
- **California Code of Regulations (2CCR)  
§ 1896.10 (Substitutions)**
- **2CCR § 1896.77 (Contract Audits)**

# AUTHORITY (CONT.)

## **Provisions – Contractor’s SB/DVBE Reporting Requirements**

- **GSPD-401-IT, #63 (Rev: 11/27/13)**
- **GSPD-401 Non-IT, #55 (Rev: 06/08/10)**

# CONTACT OSDS

## Office of Small Business & DVBE Services (OSDS)

- **Tanya Little**, Assistant Chief, 916-375-4936  
[Tanya.Little@dgs.ca.gov](mailto:Tanya.Little@dgs.ca.gov)
- **Diana Alfaro**, Supervisor, 916-375-4919  
[Diana.Alfaro@dgs.ca.gov](mailto:Diana.Alfaro@dgs.ca.gov)
- **Nancy Huth**, Supervisor, 916-375-4935  
[Nancy.Huth@dgs.ca.gov](mailto:Nancy.Huth@dgs.ca.gov)