


AdChoices 

THE BLOG

Dear Pentagon and Defense Contractors: It's Not Patriotic To Cheat America

© 05/14/2010 09:04 pm ET | Updated May 25, 2011

 Like 4

Lloyd Chapman 
Small business advocate

In 1961, President Dwight D. Eisenhower warned the American people about the potential for abuse by the defense industry. He stated, "In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes."

(<http://www.ourdocuments.gov/doc.php?doc=90&page=transcript>)

It looks like he was right.


One area of abuse has been government small business contracting programs. Since 2003, a series of federal investigations have found that the U.S. Department of Defense (DoD) has consistently allowed dozens of the nation's largest defense contractors to hijack billions of dollars a year in federal contracts that by law have been earmarked for American small businesses.

In fact, it has become such a serious problem that in 2005 the Inspector General for the Small Business Administration (SBA) referred to the diversion of federal small business contracts to corporate giants as, "One of the most important challenges facing the Small Business Administration and the entire Federal government today."

(<http://www.asbl.com/documents/05-15.pdf>)

Many of the nation's largest newspapers, television stations and radio networks have covered the story. (<http://www.asbl.com/news.php>)

During the 2008 presidential election cycle, even President Barack Obama recognized the severity of this issue. In February of 2008 he stated, "It is time to end the diversion of federal small business contracts to corporate giants."

AdChoices 

SUBSCRIBE TO & FOLLOW TRUMP'S FIRST 100 DAYS

How will Donald Trump's first 100 days impact YOU? Subscribe, choose the community that you most identify with or want to learn more about and we'll send you the news that matters most once a week throughout Trump's first 100 days in office. [Learn more](#)

Newsletter

address@email.com

[Subscribe Now](#)

 1.97 M 1.05 M Podcast

http://www.barackobama.com/2008/02/26/the_american_small_business_le.php

The Small Business Act stipulates that a minimum of 23 percent of the “total value” of all government contracts shall be awarded to small businesses. In fact, this federal legislation created the largest program ever established to direct federal Infrastructure spending to America’s 27 million small businesses. It’s a fantastic program, especially when you realize small businesses employ 50.2 percent of America’s private sector workforce and create virtually 100 percent of the nation’s net new jobs. (<http://www.sba.gov/advo/research/profiles/>)

Without the rampant fraud and abuse that has been uncovered by a slew of federal investigations, small businesses across the country should be receiving roughly \$150 billion a year in federal contracts. Greedy DoD contractors don’t seem to care about the best interests of our nation’s economy or its people. They want the billions of dollars set-aside for small businesses every year, and they have shown they are willing to lie, cheat and commit blatant fraud to get it. Thousands of DoD officials and staff are helping defense giants cheat American small businesses out of billions of dollars in contracts year-after-year.

The American Small Business League (ASBL) has uncovered the DoD giving federal small business funds to corporate giants like: Lockheed Martin, Boeing, L-3 Communications, Raytheon, Northrop Grumman and General Dynamics. The DoD has even diverted U.S. Government small business contracts to some of the largest firms in Europe like British Aerospace (BAE), Rolls-Royce and French defense giant Thales Communications.

Not only does the Pentagon and its largest contractors defraud the American people out of billions of dollars in small business prime contracts, but Pentagon officials have allowed major defense contractors to cheat taxpayers out of billions more in subcontracts. The Pentagon has created programs like the “Comprehensive Subcontracting Plan Test Program,” which allows many of the largest prime contractors in the world to falsify compliance with small business subcontracting goals, and avoid any penalties for noncompliance. The program has been in place for over 20-years, has never been evaluated, and is up for re-authorization this year.

According to the most recent data released by the Obama Administration, the largest recipient of federal small business contracts last year was Textron, Inc. Textron is a Fortune 500 defense contractor with 43,000 employees and over \$14 billion in annual revenue. The giant received over \$775 million in federal small business contracts in a single year.

Big defense contractors run a constant flow of advertisements on national television. If you spend any time watching any of the major news channels, you have no doubt seen their well-produced propaganda. These ads all have the same patriotic tone with slogans like, “We never forget who we’re working for.” I am sure the majority of Pentagon officials and defense contractor’s executives actually see themselves as American heroes and patriots.

I have a news flash for the Pentagon and its prime contractors; you’ve done more damage to America and our nation’s economy than Osama bin Laden, Al-Qaeda and



Add us on Snapchat

AdChoices

damage to interest and our nation's economy than Osama bin Laden, Al Qaeda and the Taliban combined. During the last decade, more than \$1 trillion has been diverted away from the small businesses where most Americans work, and into the hands of greedy and unscrupulous defense contractors. Your unrelenting opposition and sabotage of this country's small business programs is self-serving, unpatriotic and clearly not in the best interests of the American people. Ask your self this... what percentage of the American people would agree that Fortune 500 defense contractors should not be getting federal small business contracts? My guess is 99.9 percent would be close.

The Pentagon officials, corporate executives and employees of defense giants that have cheated the American people are not heroes... they're liars, crooks and con men. These individuals have damaged our nation's economy and defrauded the very people they are supposed to protect.

So the next time you see an advertisement on national television from a Fortune 500 defense contractor with patriotic slogans and flag waving propaganda, remember, these are the very same greedy and self serving corporate giants that have cheated the American people out of countless billions to fill their own pockets. They are not heroes or patriots.

www.asbl.com

Follow Lloyd Chapman on Twitter: www.twitter.com/LloydChapman

- More: [Small Business Administration](#) [Small Business](#) [Department Of Defense](#) [Lockheed Martin](#)
- [Barack Obama](#)

Around The Web

Powered By ZergNet



Bill Gates' Bold Statement on Donald Trump



Obama Took Time From His Last Days In Office To Be In A Wedding



Michael Moore's Warning About How Trump Will 'Get Us Killed'