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THE BLOG

Dear President Obama, Quit Cheating Small Businesses Out of Federal Contracts

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 Like 8**Lloyd Chapman** 
Small business advocate

During your Presidential campaign you promised, “an end to business as usual in Washington,” and “change we can believe in.” You made several promises to small businesses. You promised to restore the Small Business Administration’s (SBA) budget and staffing, restore the SBA Administrator to a cabinet level position, and implement the 5 percent set-aside contracting goal for women. You also released the statement, “it is time to end the diversion of federal small business contracts to corporate giants.” You have failed to honor any of those campaign promises.

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

YOU LIED!

The SBA’s budget and staffing were larger during the Reagan Administration than they are today. The most recent data released by your administration reported that the largest recipient of federal small business contracts was, Textron, a Fortune 500 firm. Your administration included over \$775 million in contracts to Textron as small business contracts. Other firms your administration included as small businesses were Boeing, Lockheed Martin, Northrop Grumman, Raytheon, General Dynamics, British Aerospace (BAE), Rolls-Royce, French firm Thales Communications, Ssangyong Corporation headquartered in South Korea, and Italian firm Finmeccanica SpA.

<http://www.asbl.com/documents/20090825TopSmallBusinessContractors2008.pdf>

YOU LIED!

During your campaign you stated, “Let me say it as simply as I can: Transparency and the rule of law will be the touchstones of this presidency.”

http://www.talkingpointsmemo.com/news/2009/01/remarks_by_the_president_welcoming_senior_staff_an.php In reality your administration has moved to dramatically

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cut transparency in all areas of federal small business contracting programs. Your administration destroyed ten years worth of federal contracting data, which has been used by federal investigators to uncover billions of dollars in federal small business contracts that have been illegally diverted to corporate giants. Your administration has also refused to release a wide variety of public information on federal small business contracting programs, which indicates that billions of dollars a month in federal small business funds are being diverted to corporate giants.

YOU LIED!

Recently, the American Small Business League (ASBL) released a report that found 16 separate areas in which your administration broke campaign promises to small businesses or adopted anti-small business policies.

http://www.asbl.com/documents/20100526_ASBL_AnalysisObamaSB.pdf

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YOU LIED!

I don't know if any of your hotshot economic advisors have told you this, but 98 percent of all U.S. firms have less than 100 employees. These 27 million firms employ the majority of the private sector work force, and are responsible for virtually 100 percent of all net new jobs in America. Cheating small businesses is stupid if you are trying to stimulate the economy and create jobs. You might want to give former U.S. Treasury Secretary Robert Reich a call and have him explain it to you.

If you want to stimulate the economy, you direct more federal infrastructure spending to small businesses. You don't divert federal small business funds to corporate giants around the world.

I know you are going to try to adopt policies and legislation to divert even more federal small business contracts to your buddies and campaign contributors in the venture capital industry. I would not be surprised if you were stupid enough to try to dismantle federal small business contracting programs by breaking up the SBA or adopting more anti-small business policies, while attempting to convince the press and the public that you are trying to help small business and increase access to capital. If you sincerely wanted to increase access to capital for small businesses, you would have helped CIT. CIT was the nation's number one lender to small businesses, especially those firms owned by women, minorities and veterans but you didn't do that, did you?

In case you haven't heard, federal judges don't seem to like your anti-small business, anti-transparency policies. So far we have won federal lawsuits against the U.S. Department of Energy, NASA, the SBA and the U.S. Department of Defense. Our case against the General Services Administration (GSA) is looking good too. I have to admit, I'm looking forward to the fireworks when some unfortunate attorney from the Justice Department tries to convince the 9th Circuit Court of Appeals that the SBA does not have any phone records.

Good luck with your sham small business forum on June 28. Will this be another

publicity stunt and photo op like the last small business forum you put on? I heard photographers outnumbered small business owners at that one. I think there were about a dozen actual small business owners at your last, "national small business conference."

Let me guess, are we going to hear from any of your contributors in the venture capital industry on how important it is to "increase access to capital for small businesses" by changing the long standing federal definition of a small business as being "independently owned." You and I know your venture capitalist buddies are really just interested in increasing their access to over \$150 billion a year in federal small business contracts.

Allowing greedy venture capitalists to hijack billions of dollars in federal small business contracts is not going to go over well in the press. I can promise you that, and I always keep my promises.

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