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## THE BLOG

# Federal Investigation Finds Corporate Giants Received Billions in Small Business Funds

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 Like 2**Lloyd Chapman**   
Small business advocate

The Small Business Administration Office of Inspector General (SBA IG) has released the latest in a series of investigations, which found billions in federal small business contracts have been diverted to corporate giants. [The SBA IG Investigation](#) found that the SBA itself awarded federal small business contracts to large businesses.

Report 10-08 uncovered that during fiscal year (FY) 2008 the SBA awarded more than 30 percent of its contracts to large businesses, and 92 percent of the contract actions contained blatant errors. Additionally, the report found that during FY 2009 the percentage of misleading data jumped to a record 97 percent.

Since 2003, more than a dozen federal investigations have found the SBA played a key role in the diversion of billions of dollars a month in federal small business contracts to large businesses around the world.

In [Report 5-14](#), the SBA IG found that the SBA itself awarded small business contracts to large corporations. The report stated, "The SBA awarded four of the six high dollar procurements, reported as small business procurements, to large companies at the time of the procurements."

In [Report 5-16](#), the SBA IG found that federal agencies had allowed large businesses to illegally receive federal small business contracts by making "false certifications," and "improper certifications."

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In [Report 5-15](#), the SBA IG referred to the diversion of federal small business contracts to large corporations as, “One of the most important challenges facing the Small Business Administration and the entire Federal government today.”

[President Barack Obama recognized the magnitude of the problem and promised to stop it during the 2008 presidential campaign.](#)

Despite this series of federal investigations, the SBA has simultaneously claimed that the diversion of federal small business contracts to large corporations was a “[myth](#)” and the result of “miscoding.” The SBA has never been able to explain why, for over a decade, 100 percent of the time the “miscoding” always reports awards to large businesses as small business awards.

There have now been over two dozen investigations, over the last eight years, which have found a clear pattern of blatant fraud and abuse in SBA managed programs. It is time for the FBI to step in and get to the bottom of this. To date, the Obama Administration has done nothing to halt these abuses.

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