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THE BLOG

Federal Judge Clears the Way for Destruction of Incriminating Contracting Data

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 Like 0**Lloyd Chapman** 
Small business advocate

United States District Judge William Alsup has denied the American Small Business League's (ASBL) request for a temporary restraining order, and cleared the way for the Obama Administration to destroy over ten years worth of federal contracting data.

On March 12, 2010, the Obama Administration intends to move forward with a plan that would destroy years of incriminating contracting data by eliminating the socio-economic field, "IsSmallBusiness," found within the Federal Procurement Data System-Next Generation (FPDS-NG). In the past, the Government Accountability Office (GAO), the Small Business Administration Office of Inspector General (SBA IG) and other agencies have used the small business flag to uncover evidence indicating that large businesses have fraudulently received billions of dollars in federal small business contracts.

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

The ASBL has estimated that since 2000, between \$500 billion and \$1 trillion in federal small business contracts have been diverted to *Fortune* 500 firms and other clearly large businesses.

I want people to understand that this is the Obama Administration reducing transparency, and helping to cover-up hundreds of billions of dollars in federal contracting fraud.

In February of 2008, the ASBL sued the SBA for the release of the names of *Fortune* 500 firms and other large businesses that had received billions of dollars in federal small business contracts. The SBA withheld the information until directed to release it

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by United States District Judge Marilyn H. Patel. In [the court's ruling](#) Patel stated, "The court finds it curious the SBA's argument that it does not 'control' the very information it needs to carry out its duties and functions."

The ASBL believes the move by the Obama Administration to eliminate the embarrassing data is the result of its successful lawsuits against the government, which have increased transparency and opened the public's access to the data.

Congressman Joe Sestak (D-PA-7) has already sent a letter to GSA Administrator Martha Johnson and GSA Inspector General Brian Miller requesting that the GSA postpone the destruction of historical contracting data, and that the GSA IG conduct an investigation into the matter. The ASBL expects a dozen other members of Congress [will follow suit](#).

In response to the court's ruling, the ASBL will be filing a request for a preliminary injunction by the end of the week.

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