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## THE BLOG

# Little Known Bill Could Slash Unemployment

07/15/2010 04:52 pm ET | Updated May 25, 2011

 Like 5**Lloyd Chapman**   
Small business advocate

Relatively few people have heard of H.R. 2568, the Fairness and Transparency in Contracting Act. Yet, the legislation stands alone as the only bill in Congress that could actually provide a significant boost to floundering unemployment numbers, and create the 4 to 5 million jobs President Obama promised during the 2008 presidential election.

In February of 2009, Georgia Congressman Hank Johnson introduced H.R. 2568, to address the diversion of federal small business contracts to Fortune 500 firms and a host of other large businesses around the world. The American Small Business League (ASBL) originally co-drafted the bill. To date, the bill has 25 co-sponsors.

In 2005, the Small Business Administration Office of Inspector General (SBA IG) issued Report 5-15 which described the diversion of small business contracts to large businesses 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>) Additionally, three different SBA IGs have acknowledged the issue as the #1 management challenge facing the SBA for the last five consecutive years. [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/olg\\_reports\\_tmc\\_fy10.pdf](http://www.sba.gov/idc/groups/public/documents/sba_homepage/olg_reports_tmc_fy10.pdf)

A small business, as defined in the Small Business Act of 1953, must be "independently owned." H.R. 2568 would prevent the federal government from reporting awards to publicly traded companies and their subsidiaries as small business awards. The ASBL estimates that, if passed, H.R. 2568 would redirect billions of dollars a month in existing infrastructure spending to America's middle class economy. <http://firedoglake.com/tag/h-r-2568/>

In addition to problems caused by large businesses masquerading as small businesses in government contracting programs, the ASBL has also uncovered gross

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businesses in government contracting programs, the ASBL has also uncovered gross discrepancies in the SBA's reported contracting data. Specifically, the SBA has used a series of rules and policies to dramatically under report the actual federal acquisition budget, and dramatically inflate the government's achievement of its small business goals. Although the actual federal acquisition budget is closer to \$1 trillion, the SBA has maintained that it is closer to \$500 billion. This under reporting, as well as government policies that have allowed Fortune 500 firms to participate in federal small business contracting programs, have had a staggering negative impact on the flow of federal infrastructure spending to America's 27 million small businesses.

The ASBL estimates that based upon the \$1 trillion federal acquisition budget, small businesses should be getting \$230 billion. The ASBL estimates that small businesses are currently getting no more than \$50 billion.

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If H.R. 2568 were passed, and the federal government was required to use the actual federal acquisition budget, it could redirect well over \$150 billion a year in existing federal infrastructure spending back to small businesses.

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