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## THE BLOG

# NASA Sued for Refusing to Release Contracting Data

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 Like 2**Lloyd Chapman**   
Small business advocate

On Wednesday, April 28, the American Small Business League (ASBL) filed suit against NASA in Federal District Court, Northern District of California. The case was filed under the Freedom of Information Act (FOIA) after NASA refused to release subcontracting reports for contracts awarded to General Dynamics C4 Systems Incorporated. ([PDF](#))

The ASBL requested information from NASA on a contract awarded to General Dynamics after discovering that a contracting officer reported the award as a small business contract.

Wednesday's suit is the second lawsuit filed by the ASBL against NASA. In February of 2007, the ASBL prevailed in its first suit against NASA, forcing the agency to provide detailed information proving the agency falsified its small business contracting statistics by including contracts to a variety of Fortune 500 firms and other large businesses.

Since 2003, over a dozen federal investigations have found billions of dollars a month in federal contracts earmarked for small businesses have been diverted to Fortune 500 firms and some of the largest companies in the world. The large recipients of federal small business contracts include: Lockheed Martin, Boeing, Raytheon, Northrop Grumman, Dell Computer, British Aerospace (BAE), Rolls-Royce, French giant Thales Communications, Ssangyong Corporation headquartered in South Korea, and the Italian firm Finmeccanica SpA. (<http://www.asbl.com/documents/20090825TopSmallBusinessContractors2008.pdf>)

The ASBL plans to file a series of FOIA requests to NASA as a means of uncovering more federal small business contracts that were diverted to Fortune 500 firms. Specifically, the ASBL intends to uncover contracts awarded to large corporations that were coded as small business contracts by contracting officers.

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Section 16(d) of the Small Business Act states, "whoever misrepresents the status of any concern or person as a 'small business concern'...to obtain for oneself or another," any prime contract or subcontract with the government shall be subject to penalties of \$500,000, 10 years in prison and/or debarment from federal contracting programs. ([Link here.](#))

Attorneys for the ASBL believe federal contracting officials, and possibly even employees of prime contractors, could be held liable for penalties prescribed under section 16(d) of the Small Business Act for fraudulently misrepresenting large firms as small businesses.

This issue has gone on unabated for over decade. I don't think these abuses are going to stop until people start going to prison.

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[Please click here to watch a clip about the ASBL's suit:](#)

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