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THE BLOG

Obama Administration Will Bury Small Business Contracting Data

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Any day now the Obama Administration will release the federal government's small business contracting data for fiscal year (FY) 2009. FY 2009 ended over ten months ago at the end of September.

I have several predictions/facts about the latest small business contracting data that will be released by the Obama Administration. First, virtually everything the [Obama Administration](#) will claim about the data will be false. They won't claim to have achieved the Congressionally mandated 23 percent small business contracting goal, but they will claim to have come really, really close. I believe that the Obama Administration will claim to have awarded between 21 and 23 percent of the governments purchases to small businesses.

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The [Obama Administration will also try to cover-up the diversion of billions of dollars in federal small business contracts to corporate giants](#). They will without question dramatically overstate the true percentage of federal contracts and subcontracts that were awarded to small businesses in FY 2009 in multiple ways.

First, they will under report the actual federal acquisition budget by 50 percent to make the percentage look up to twice as high as it actually is. The actual total federal acquisition budget for FY 2009 is over one trillion dollars including all classified and unclassified projects. Federal law clearly states 23 percent of the "total value" of all [federal contracts](#) shall be awarded to small businesses. Obama officials will likely claim the government's acquisition budget is less than \$500 billion which is less than half of what is actually is. To make matters worse, the federal government will exclude an additional \$100 billion in federal contracts from its calculations with the justification that those contracts are not, "small business eligible." This exclusion serves as a means of falsifying compliance with the federal government's 23 percent small business goal. The SBA term "small business eligible" is in direct conflict with

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small business goal. The SBA term "small business eligible" is in direct conflict with the Small Business Act and has no justification in the law.

Next, the volume of contracts the government will claim to have awarded to small businesses will be dramatically inflated by including thousands of large businesses in its small business contracting statistics. A recent report of the government's FY 2009 small business contracting data released by the American Small Business League (ASBL) found that of the top 100 recipients of federal small business contracts, 60 were actually large businesses. Contracts to a slew of Fortune 500 firms have also been included in the Obama Administration's small business contracting data.

Anyone that challenges the accuracy of the data or the inclusion of large businesses in the Obama Administration's small business data will receive the same overworked excuse the Small Business Administration (SBA) has used since 2002 to explain the diversion of billions of dollars a month in federal small business funds to corporate giants around the world. "Miscoding," "computer glitches," and the latest "simple human error," will be blamed for the diversion of over a trillion dollars in federal small business contracts to corporate giants since 2000. To date, no journalist has ever asked any federal official why these supposedly random errors that occur thousands of times a day, every day, for over ten years, always result in contracts awarded to corporate giants being reported as small business awards. If the reporting errors were actually random, then approximately 50 percent of the time contracts to large businesses would be reported as small business awards and 50 percent of the time contracts awarded to small businesses would be reported as large business awards. The two would cancel each other out. This blatant hole in the SBA's excuse has never been mentioned in any of the [hundreds of stories](#) that have been written about the rampant abuses in federal small business contracting programs.

Lastly, there will be no White House press conference announcing the release of the data. It is highly unlikely President Obama will mention his Administration's latest small business contracting data in any way. The Obama Administration's press release announcing their latest small business contracting data will most likely be quietly released late on a Friday afternoon. I am guessing they will be so desperate to avoid any press coverage of the embarrassing and fabricated data they may even wait until late Friday afternoon on September 3rd, just before Labor Day weekend, to release the data.

America is still in the midst of its worst economic catastrophe in 80 years. Small businesses are responsible for the overwhelming majority of net new jobs in America. Despite this fact, the Obama Administration continues to allow over \$100 billion a year in federal funds, that by law should be allocated to our nation's 27 million small businesses, to be diverted to clearly large businesses.

In February of 2008 [President Obama stated, "It is time to end the diversion of federal small business contracts to corporate giants."](#) It is time for President Obama to honor that promise.

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