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THE BLOG

Obama Broken Campaign Promise Celebrates Second Anniversary

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 Like 2**Lloyd Chapman** 
Small business advocate

It has now been two years since President Barack Obama released the statement, "It is time to end the diversion of federal small business contracts to corporate giants." To date, President Obama has refused to adopt any policy or support legislation to stem the flow of billions of dollars in federal small business funds to large businesses around the world.

http://www.barackobama.com/2008/02/26/the_american_small_business_le.php

President Obama's February 26, 2008 campaign promise was made in response to a series of federal investigations, which found that every month billions of dollars in federal contracts that have been earmarked for small businesses have been diverted to Fortune 500 corporations and other large businesses.

<http://www.asbl.com/documentlibrary.html>

Investigations by the Government Accountability Office (GAO), Small Business Administration (SBA) Office of Inspector General (IG), SBA Office of Advocacy, and Inspector General's from various agencies such as the Department of the Interior (DOI), have found that federal small business funds have been diverted to Fortune 500 firms in the United States and even some of the largest companies in Europe and Asia.

The American Small Business League (ASBL) projects that since President Obama took office approximately \$10 billion a month in federal small business contracts have been diverted to large businesses.

The most recent data released by the Obama Administration found Textron Inc. as the largest recipient of federal small business contracts. Textron is a Fortune 500 firm with 43,000 employees and annual sales over \$14 billion. Textron received approximately \$775 million in federal small business contracts in a single year.

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<http://www.asbl.com/documents/20090825TopSmallBusinessContractors2008.pdf>

Other firms receiving federal small business contracts from the Obama Administration included Xerox, General Dynamics, Lockheed Martin, Boeing, Raytheon, Northrop Grumman, British Aerospace (BAE), Ssangyong Corporation headquartered in Seoul, South Korea and Finmeccanica SpA, which is located in Italy with 73,000 employees.

http://www.asbl.com/documents/20091202GeneralDynamics_Created_20091027.pdf

http://www.asbl.com/documents/20091202Xerox_Created_20091002.pdf

In 2005, the SBA IG referred to the diversion of federal small business contracts to corporate giants as, "One of the most important challenges facing the Small Business Administration and the entire Federal government today." For the last five consecutive years the SBA IG has reported these rampant abuses as the #1 management challenge facing the SBA.

<http://www.asbl.com/documents/05-15.pdf>

The ASBL has written legislation designed to halt the flow of small business contracts to large corporations. H.R. 2568, the Fairness and Transparency In Contracting Act currently has bipartisan support from 20 co-sponsors. ASBL believes that H.R. 2568 would create more jobs and direct more federal infrastructure spending to the middle class than anything that has been proposed by the Obama Administration to date.

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