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## THE BLOG

# Obama Small Business Task Force Will Likely Threaten Small Business Programs

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 Like 4**Lloyd Chapman**   
Small business advocate

On April 26th, President Barack Obama established a Small Business Task Force to supposedly remove barriers to small businesses landing contracts with the federal government. I had to laugh out loud. This was amusing to me for many reasons, but most notably, President Obama ignored the recommendations of his last small business task force. It was established during his presidential campaign, and I was on it.

We spent months coming up with solid and practical solutions to help small businesses. He never adopted a single one of our recommendations. It turned out to be the first of many Obama, "all talk and no action," programs for small businesses.

In my humble opinion, the number one barrier to small businesses landing more federal contracts is President Obama himself. All you need to do is take a quick look at President Obama's actual track record for small businesses to predict what the recommendations of his small business task force will be.

Since 2003, a series of federal investigations have found that most federal small business contracts actually go to Fortune 500 firms. Report 5-15 from the Small Business Administration (SBA) Inspector General referred to the rampant fraud and abuse 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>) The SBA IG has reported this as the number one management challenge facing the SBA for the last five consecutive years.

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The latest data released by the Obama Administration clearly, and undeniably, shows the largest recipient of federal small business contracts last year was Textron, Inc., a Fortune 500 firm with over 43,000 employees and over \$14 billion a year in

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annual revenue. Other firms that received U.S. government small business contracts included, Lockheed Martin, Dell Computer, Xerox, General Dynamics, ManTech, Raytheon, Boeing, Office Depot and General Electric.

President Obama was clearly aware of this issue in February of 2008, when he released the statement, "It is time to end the diversion of federal small business contracts to corporate giants."

[http://www.barackobama.com/2008/02/26/the\\_american\\_small\\_business\\_le.php](http://www.barackobama.com/2008/02/26/the_american_small_business_le.php)

To date, he has consistently refused to adopt any policies to keep his campaign promise and end the daily flow of over \$400 million a day in federal small business contracts to corporate giants.

It gets worse. On March 12th of this year the Obama Administration removed, and potentially permanently destroyed ten-years worth of data that had been used by federal investigators to uncover billions of dollars in fraud and abuse in federal small business contracting programs. Obama officials removed the "small business flag," field, in which Fortune 500 firms have illegally misrepresented themselves as small businesses for years. Report 5-16 from the SBA IG referred to these misrepresentations as, "false certifications" and "improper certifications." Other federal investigations described the blatant fraud as "vendor deception." Now all evidence of the abuses has been removed.

If you are part of a small minority or disadvantaged firm you probably won't believe this, so I will [give you a link to the actual federal document](#). Shortly after taking office, the primary federal program to help direct a miniscule 5% of federal contracts to minorities was dismantled. Obama chose not to appeal a circuit court ruling which found that minority-contracting programs were unconstitutional. How about that? The first African American President and Attorney General are doing absolutely nothing as federal minority contracting programs are being dismantled. Federal contracts to minority-owned firms have fallen off a cliff since President Obama has taken office. <http://www.acq.osd.mil/osbp/policy/USA001376-09%20Signed.pdf>

Finally, during his 2008 campaign, President Obama promised to implement a federal law passed in 2000 establishing a 5% set-aside contracting goal for woman-owned firms. To date, the program has not been implemented. Lots of talk, but no action. My guess is if he finally does implement it, it will be so watered down it won't make much of a difference.

Need more proof Obama doesn't give a rat's "you know what" about America's 27 million small businesses? How about the American Reinvestment and Recovery Act (ARRA)? According to the U.S. Census Bureau, and private studies by groups like the Kaufman Foundation, small businesses are responsible for virtually 100% of all net new jobs in America. 100%! Go ahead and guess how much of the ARRA funds President Obama allocated to small businesses so far. Before I tell you, let me ask you one question: if you were trying to stimulate the economy and create jobs and you knew small businesses were responsible for 100% of all net new jobs in America, how much would you allocate for small businesses? 50%, 70%, 100%?

To date, President Obama has allocated approximately 3% of the ARRA funds to small businesses

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I plan to write a series of articles regarding my predictions of the Obama small business task force proposals. I can promise you right now, there is one thing you absolutely will not see in their recommendations. No legislation or policy of any kind will be proposed that will stop, "One of the most important challenges facing the Small Business Administration and the entire Federal government today," the diversion of billions of dollars a year in federal small business contracts to corporate giants.

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