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THE BLOG

Obama-Administration Fabricated Small-Business Contracting Data Coming Soon

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Small business advocate

Any day now the Obama administration will release the latest federal data on the volume of government contracts that were awarded to small businesses. Federal law requires a minimum of 23 percent of all federal contracts to be awarded to small businesses. I'm betting the "Change We Can Believe In" Obama administration will completely falsify the actual percentage of government contracts that were awarded to legitimate small businesses.

Despite all his rhetoric and pandering to small businesses, the latest government small-business contracting data will prove President Obama is just another "business as usual" politician who is willing to say or do anything to get elected with no intention of honoring campaign promises. Everyone has an opinion when it comes to politics, but however you slice it, the Obama administration has failed to honor its promises to the small business community. In June, the [American Small Business League \(ASBL\) released an analysis](#) of the Obama administration's poor small business track record.

I am predicting that the actual volume of federal contracts the government will claim to have awarded to small businesses during fiscal year (FY) 2009 will be grossly misrepresented. The data will prove that President Obama's promise to end the diversion of billions of dollars a year in federal small-business contracts to corporate giants was empty. The Obama administration's neglect of this issue during its tenure has cheated the nation's 27 million small businesses out of billions of dollars in federal funds that by law should be allocated to small businesses. I predict the following regarding the release, and the immediate fallout after the release of the Obama administration's FY 2009 small-business contracting data:

1. To avoid scrutiny from the media, the data will be released late on a Friday in the

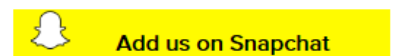
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next several weeks.

2. There will be no mainstream media coverage of the release of the data. The largest federal program to direct federal infrastructure spending to the private sector will go unreported. The intentional diversion of more than \$100 billion in federal small business funds to large businesses around the world will go largely unreported by the mainstream media. You will not see this story on *ABC*, *CBS* or *NBC*. You won't see it in the *Washington Post*, the *New York Times* or the *Wall Street Journal*.

3. The Obama administration will claim to have just missed its congressionally mandated 23-percent goal. Administration officials will claim to have awarded just over 22 percent of the government's purchases to small businesses. In reality, less than 5 percent of government contracts will have actually gone to legitimate small businesses.

4. The government's FY 2009 small-business contracting data will be falsified in several ways. First: Obama administration officials will claim the federal acquisition budget is less than half of what it actually is. The real federal acquisition budget for foreign, domestic, classified and unclassified acquisitions is nearly \$1 trillion. Second: Thousands of large businesses, Fortune 500 firms and foreign-owned corporations will be included in the Obama administration's small business data. Billions of dollars in contracts awarded to U.S. based large businesses will be hidden under the categories "miscellaneous foreign contractors" and "classified domestic contractors."

5. If any attention is brought to fact that thousands of large businesses are included in the data, officials at the U.S. Small Business Administration (SBA) will claim it is the result of "miscoding," "computer glitches," and "simple human error."

6. No journalist will ask any Obama administration official why the alleged "random errors" always report awards to large businesses as small-business contracts and never the other way around. No journalist will ask why the one field that indicates if a firm is small or large has an error rate thousands of times higher than any other field in the database. No journalist will ask why there are so many errors in the data, even after the government spent nearly a year analyzing the data before its release.

7. No White House Correspondent will ever ask President Obama why his administration is diverting federal small-business contracts to large businesses, despite his campaign promise to, "end the diversion of federal small-business contracts to corporate giants."

8. No member of Congress will complain about the fact that the Obama administration is diverting federal small business funds to large businesses.

9. The release of the fabricated small business data will not prompt any member of Congress to call for the immediate passage of H.R. 2568, the Fairness and Transparency in Contracting Act. The bill would halt the yearly diversion of over \$100 billion in federal small-business contracts to large businesses, and redirect those funds to the private sector firms that create a majority of net new jobs in America.

10. No group claiming to represent the interests of American small businesses (other than the ASBL) will be critical of the Obama Administration for diverting small business funds to large businesses, and falsifying compliance with the government's 23 percent small-business contracting goal.

The ASBL projects that over the last decade this fraud and abuse has diverted more than a trillion dollars away from the middle class. Unless the mainstream media starts making this issue a priority, another trillion dollars in small-business contracts will flow into the hands of large businesses over the next decade.

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