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## THE BLOG

# Why Did President Obama Hide Record Small Business Numbers

© 09/03/2010 07:46 pm ET | Updated May 25, 2011

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Last Friday, as I predicted in my [August 6](#) and [August 24](#) Huffington Post blogs, the Obama Administration, right on queue, released the latest Small Business Administration (SBA) fiscal year (FY) [2009 Small Business Procurement Scorecard](#). Anyone in the media can tell you that releasing information late on a Friday afternoon is a technique used by the government when trying to bury or hide negative news, and it worked fairly well in this case. So as expected, the Obama Administration tried to bury the release of its FY 2009 small business contracting data.

The Obama Administration acknowledged it had missed the congressionally mandated 23 percent government-wide small business contracting goal, and four of five small business goals overall. However, the government did claim to award small businesses a record amount of contracts totaling over \$96 billion.

So here's a question; if the Obama Administration awarded a record \$96.8 billion in federal contracts to small businesses during FY 2009, then why didn't President Obama hold a White House press conference to talk about it? Or go on national television to talk about it?

Here's why. Of the more than \$96 billion in federal small business contracts the Obama Administration claims to have awarded to small businesses, over half went to large corporations. A [study released in June by the American Small Business League \(ASBL\)](#) found that 60 of the top 100 recipients of small business contracts were actually large businesses. Some of the firms that the Obama Administration considered to be "small businesses" are: Lockheed Martin, Boeing, British Aerospace (BAE), Rolls-Royce, Raytheon, Dell Computer, General Electric, Honeywell International Corporation.

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This marks the 10th consecutive year that the government has diverted most federal small business contracts to large businesses. If any Journalist tries to take on the Small Business Administration, they will get the standard answer the SBA has been regurgitating for over a decade, that this is merely [“computer glitches,”](#) [“simple human error,”](#) [“miscoding,”](#) and that the [“data is as clean as it has ever been.”](#)

In the ten years that this has gone on, not a single Journalist has asked the government why the error rate on that field is over a thousand times higher than any other field in the data? And why the “miscoding,” “computer glitches” and “simple human errors” always report awards to large corporations as small business awards and never the other way around? Clearly the data is not clean, nor is this issue attributable to simple human error, miscoding, or computer glitches.

In 2005, the SBA Inspector General found large corporations had received billions of dollars in federal small business contracts illegally through [“false certifications”](#) and [“improper certifications.”](#) The same year, the SBA Office of Advocacy released a report that found that large corporations had received small business contracts through [“vendor deception.”](#) These are all synonyms for felony contracting fraud.

So it appears that despite President Obama’s campaign promises to end business as usual in Washington and provide “Change We Can Believe In,” he has clearly decided to continue the Bush Administration policy of cheating small businesses out of billions of dollars a month in federal small business contracts.

Since 2003, more than a dozen federal investigations have uncovered the diversion of federal small business contracts to large corporations. In Report 5-15 the SBA’s own Inspector General referred to the issue as, [“One of the largest challenges facing the Small Business Administration and the entire federal government today.”](#) President Obama even seemed to recognize the severity of the situation when he said, [“It is time to end the diversion of federal small business contracts to corporate giants.”](#)

Directing existing federal infrastructure spending to the 27 million small businesses where most American’s work is our single best hope of avoiding a double dip recession. Cleaning up fraud and abuse in federal small business contracting programs is a necessary and important first step.

Unfortunately, the late-Friday afternoon release of the Small Business Procurement Scorecard seems to be a clear indication that President Obama is not the man we hoped he would be, and that he is willing to let America slide into a crippling double dip recession before he will stop the diversion of federal small business contracts to corporate giants.

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