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Small Business Administration Sued For Refusing to Release Contracting Data

ASBL press release

Petaluma, Calif. – On February 6, 2007, the American Small Business League filed their 4th federal lawsuit against the Small Business Administration (SBA) in the U.S. District Court, Northern District of California. The lawsuit was filed under the Freedom of Information Act (FOIA) over the SBA's refusal to release the names of Fortune 1000 firms that received billions of dollars in Federal small business contracts during 2005 and 2006.

Since 2003, more than a dozen federal investigations uncovered the fact that some of the largest corporations in the United States and Europe were the actual recipients of billions of dollars in federal small business contracts.

Under FOIA, the ASBL requested the specific names of all firms that were coded by the federal government as small businesses for FY 2005 and FY 2006. De-

spite more than 400 stories in mainstream media across the nation documenting the diversion of federal small business contracts to large corporations, the SBA consistently refuses to release the names of Fortune 1000 corporations and other large businesses that received federal small business contracts.

In addition to the federal investigations, investigative stories by organizations including CBS, ABC and CNN found that firms such as Lockheed Martin, Boeing, Halliburton, Bechtel, Microsoft, Wal-Mart, GTSI, Hewlett Packard, L-3 Communications and Rolls-Royce were the actual recipients of billions of dollars in federal small business contracts.

“In his recent State of the SBA speech, SBA administrator Steven Preston stated that he was a strong proponent of transparency in federal government,” President of the American Small Business League Lloyd Chapman said. “However,

since his appointment Mr. Preston has: removed the data from the government’s database (CCR) that the public could use to determine if a company is small or large; adopted a policy that allows Fortune 1000 corporations to continue to receive federal small business contracts through 2012; refused to implement the congressionally mandated small business program for women-owned firms; and refused to release the names of the firms that the SBA reported as small businesses for the purpose of meeting the Federal government’s small business procurement goal.”

During 2007, the SBA attempted to cover-up the diversion of federal small business contracts by issuing their Myth v. Fact press release. In the release, the SBA stated that it was a myth that large businesses received federal small business contracts. However, with the release of the SBA’s “Top 100 Report”, Preston acknowledged that large
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SBA Proposes Policy to Limit Contracting Opportunities for Women-Owned Firms

ASBL press release

On January 7, the American Small Business League launched a national campaign to oppose a newly proposed Small Business Administration (SBA) policy that will further delay the implementation of the 5 percent set-aside for woman-owned firms that became law with the passage of P.L. 106-554 in 2000.

If implemented, the new policy will severely limit federal contracting opportunities for women-owned firms.

The proposed policy represents the latest attempt in the Bush Administration's seven-year campaign to kill the

program designed to ensure women-owned businesses have a fair and equitable opportunity to receive a minimum of 5 percent of federal small business contracts.

Additionally, the policy ignores the findings of a Rand Corporation study that found that woman-owned firms were under-represented in up to 121 of the 140 industrial categories of goods and services purchased by the federal government.

The SBA's proposed policy would limit the implementation of the program by only allowing set-aside contracts for women in 4 of the 140 industrial categories.

"I hope people understand that what this means is the Bush Administration doesn't believe that giving male owned firms over 95 percent of all federal contracts and subcontracts is enough," President of the ASBL Lloyd Chapman said. "This administration is opposed to an existing federal law that would merely provide that the 50 percent of U.S. citizens that are women receive at least 5 percent of the federal contracts. I think women across the country need to let the SBA know that they will not stand for these injustices by submitting comments in opposition to this rule."

In 1994, Congress set a goal of awarding 5 percent of the total value of all prime contracts to women-owned businesses. According to data from the Federal Procurement Data System, that goal has not been met since 1996. In FY 2006, women-owned firms received only 3.4 percent of federal small business contracting dollars. While male owned firms received a staggering 96.6 percent of all federal contracts.

The American Small Business League's campaign to oppose this anti-woman-owned small business policy will involve: mobilizing ASBL members to comment against the proposed rule, working with chambers of commerce across the country to help them encourage their members to comment and contact their legislators, and communicating the importance of stopping this rule change to legislators in the House of Representatives and the Senate.

What Can You Do?

Dates: Comments must be received on or before **February 25, 2008**.

Addresses: You may submit comments, identified by 3245-AF40, by any of the following methods:

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.
- **Mail, Hand Delivery/Courier:**

Robert C. Taylor, Office of Contract Assistance, Office of Government Contracting, U.S. Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

For More Information Contact:

Robert C. Taylor - WOSBProposedRegulation@sba.gov

Sample Comment:

My name is _____, and my company's name is _____, located in _____.

With this letter, I am formally responding to the SBA's proposed rule issued on December 27, and asking you to withdraw it. Women-owned businesses receive only 3.4% of federal procurement contracts well short of the intent of the Public Law 106-554, passed in 2000, which was created to allow federal contracting officers to award up to 5% of all contracts to women-owned businesses. Rather than improve the contracting percentages, the proposed rule is a drastic step backward.

Senate Moves Forward With S. 2300 to Remove Large Firms from Federal Small Business Contracting Programs

November 7, 2007

Petaluma, Calif. – The Senate Committee on Small Business and Entrepreneurship voted on and passed S. 2300, the Small Business Contracting Reauthorization Act of 2007 through Committee this morning. The bill includes a provision for annual re-certification via the Central Contractor Registration database that will finally remove Fortune 500 firms and other large businesses from federal small business contracting programs. S. 2300 will now move on to the floor for full consideration.

In the past, annual re-certification has been endorsed by: the American Small Business League, the Small Business Administration, the Office of Federal Procurement Policy, SBA Inspector General Eric Thorson and the Senate Committee on Small

Business and Entrepreneurship.

In an effort to preclude the federal government from awarding billions of dollars in federal small business contracts to some of the largest companies in the United States and Europe, Senators Kerry (D - MA) and Snowe (R - ME) have mirrored their annual re-certification provision after policies that already exist in the CCR.

According to the official policies of the CCR, “You must renew your registration at least every 12 months from the date you previously registered.” All firms registered on the CCR are required to renew their registration annually and have been required to do so for more than 20 years.

“It’s a pretty straight forward process,” CEO and founder of Open Integration Consulting, David Gonzales said. “In

Recent News

The Following stories have been hand picked based on their relevance to the ASBL mission.

Small business advocate sues SBA for withholding contracting data

By Elise Castelli, Federal Times
February 8, 2008

Latest federal regs still aren't enough aid for biz women

By Jennifer Heldt Powell, Boston Herald
January 25, 2008

SBA chief: Tougher times ahead for agency contracting scores

By Matthew Weigelt, FCW.com
January 23, 2008

News From the Past...

all, the re-certification process takes about 20 minutes.”

In the past, annual re-certification and any other attempt to remove large businesses from small business contracting programs has been opposed by large businesses in the D.C. area that are currently receiving a lion's share of federal small business contracts. Lobbyists for big businesses have tried to claim annual re-certification is burdensome and

time consuming. In reality, annual re-certification is a simple online process.

Beyond the simplicity of the actual process, S. 2300 states that the SBA Administrator, with assistance from the SBA Inspector General and the Chief Counsel for Advocacy of the Administration, produce regulations to ensure that the annual re-certification process incur the least possible regulatory burden on small businesses.

American
small
business
League

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SBA Lawsuit

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businesses had received federal small business contracts, a blatant contradiction of the SBA's earlier press releases.

"I am sure that we will win this lawsuit," Chapman said. "I want people to know that when the government diverts \$100 billion a year in contracts from middle class America, there is a staggering negative economic impact. I don't think there is any question that the Bush Administration's anti-small business policies have been a contributing factor to our nation's current economic woes."

Within the next 60 days, the ASBL plans to file similar lawsuits against the Pentagon and the General Services Administration.

Presidential Candidates Ignore Small Business Issues

ASBL press release

As Republican and Democratic presidential candidates move forward with primaries throughout the United States, increasingly small business advocates are becoming concerned that candidates from both parties will continue to ignore small businesses and their vital role in the U.S. economy.

Small business advocates point out that thus far small business issues have been virtually ignored by presidential candidates. This comes after more than 12 federal investigations that have all found that billions of dollars in federal small business contracts have been diverted from legitimate small businesses to some of the largest corporations in the United States and Europe.

With Fortune 500 corporations like Lockheed Martin, Bechtel, Hewlett Packard and BAE Systems receiving federal small business contracts, small busi-

nesses around the country are receiving the short end of the stick when it comes to small business contracts, says President and Founder of the ASBL Lloyd Chapman.

"Small businesses are the backbone of the U.S. economy and small business owners across the nation need to be aware of the fact that these presidential candidates are blatantly ignoring the issues," Chapman said.

The ASBL projects that as much as \$100 billion a year in federal small business contracts are diverted to large corporations.

"With the pending economic downturn, making sure that small businesses across the nation have access to their fair portion of federal small business contracts should be a priority for these presidential candidates," Chapman said, adding small businesses employ about half of all private sector employees and create more than half of non-farm private gross domestic

product (GDP).

Small business advocates are not the only ones raising concerns regarding small business issues. Following the Small Business Administration's state of the SBA Address, Administrator Steven Preston commented on the presidential race. "I think small business is strangely absent. It is a major concern for me," he said.

The ASBL encourages its members, concerned small business owners and chambers of commerce across the country to contact the campaigns of presidential candidates from both the Democratic and Republican parties to express their concerns regarding the diversion of federal small business contracts to large corporations.

For more information and contact information for presidential candidates, please visit, www.asbl.com.

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