

# THE AMERICAN SMALL BUSINESS LEAGUE

## A BIGGER VOICE FOR SMALL BUSINESS

January 10, 2012

www.asbl.com

Vol. 5, Issue 2



## Republican Candidates Ignore America's Job Creators

By Lloyd Chapman

Because my greatest fear is what the next president is going to do to the middle class and America's small businesses, I constantly watch coverage of the Republican primaries. Of course, one of the most popular subjects is the economy and jobs. But I've noticed something -- I have not heard one Republican presidential candidate mention the fact that small businesses create virtually 100 percent of the net new jobs in America. In fact, I have not heard one Republican candidate mention any plan to create jobs that focuses on America's 28 million small businesses.

It's both amusing and frustrating.

We know from U.S. Census Bureau data that small businesses create more than 90 percent of the net new jobs, that they employ half the private sector workforce, that they are responsible for more than half the gross domestic product and 90 percent of U.S. exports. And yet we sit here and watch politicians talk about the economy and jobs and no one ever mentions any of those statistics.

If we're being realistic, small

businesses are not that important to candidates running for President of the United States. Small businesses don't contribute to campaigns the way that Fortune 1000 firms do. Small businesses don't have an army of lobbyists bending the ear of each candidate the way corporate giants do. That's why anyone running for national office will focus economic stimulus on big business. Most say they won't cater to the big boys. They pay lip service to small businesses, saying that we need to stimulate the middle class. Truth is the middle class is going extinct and politicians couldn't care less.

The reality is that Fortune 1000 firms in American have not created one net new job in more than 30 years. If anybody running for president really wants to create jobs and bolster the economy, they're going to need a plan that involves America's 28 million small businesses. But I don't expect that to happen. I'm not naive enough to hold my breath.

Bottom line is that small businesses create all the net new jobs but not one GOP candidate has said they would reverse the Obama administration



*ASBL President Lloyd Chapman has been the nation's leading small business advocate and an expert on federal contract law for two decades.*

policy of giving federal small business contracts to Fortune 1000 companies. The U.S. is the biggest customer in the world. A free and easy way to create demand for the nation's chief job creators is to purchase good and services from small businesses. But every year billions of dollars in federal small business contracts is awarded to Fortune 1000 firms and nobody blinks an eye.

If one of the candidates really wants to take President Obama's job, they would talk about how Obama broke his promise to stop giving small business contracts to corporate giants. If you want to see who these guys really are, ask them one question: If you're elected president, will you reverse the Obama administration policy of diverting small business contracts to large businesses? Let's try asking that simple question and see what they say.

## Washington and the Banks Don't Understand Economic Growth

By Lloyd Chapman

Let me give you some advice I have been giving to people for a decade: quit listening to what your politicians are saying and start watching what they are doing.

If you look past the propaganda you'll see that the U.S. government is anti-small business. For over a decade the U.S. government has allowed the diversion of billions of dollars in federal small business contracts to large corporations every year, and dismantled longstanding federal programs that nurture small business growth. And now, large banks are pulling the rug out from underneath small businesses while the Obama administration does nothing.

As we enter the election season we'll start to hear our politicians talking about how small businesses are the engines of our economy and must be supported by consumers, banks and the government. But while small businesses create at least 90 percent of net new jobs in the nation every year, American politicians are corporate puppets who pander to the masses without actually doing anything to ensure that small businesses can grow and revitalize our economy.

Yesterday the LA Times reported

that Bank of America is cutting back on small business lending and forcing small business owners to pay off their credit lines or accept new five-year loan terms with significantly higher interest rates.

This anti-small business move by BofA will no doubt cost small businesses dearly. Thousands of small businesses that have been scraping by in this tough economy with the help of loans will now be left with nowhere to turn.

Of course, I doubt you'll hear anything about BofA's anti-small business actions on ABC, NBC or CBS where the gigantic U.S. banking corporation spends millions to advertise.

In fact, I doubt that you'll hear more than a peep out of any politician about BofA's cut in small business lending, despite the fact that leading economists all agree that small business growth is the best way to stimulate the national economy.

Need I remind you that BofA got \$45 billion from the Troubled Asset Relief Program in 2008, partly to secure access to capital for small businesses?

With the passage of TARP in

2008, the largest banks in the country were handed a \$700 billion government bailout, so the failure of those banks wouldn't cause more severe damage to the national economy. As part of that bailout, large banks were called on to increase access to capital for small businesses.

Then-Senator Obama, Senator McCain and former President George W. Bush, all said that passing TARP would be a crucial development for small business lending.

Too bad this was a false promise and that everything the government does in the name of "small business" is actually a ruse that ends up benefitting large corporations.

If you doubt that the U.S. government is anti-small business, take a look at Small Business Administration Inspector General Peggy Gustafson's testimony before Congress in October, that shows that for seven consecutive years the diversion of federal small business contracts to corporate giants around the world has been one of the largest problems facing the SBA and the entire federal government.

If you doubt that U.S. government is anti-small business, why don't you

ask President Obama why he never kept his 2008 campaign promise to "end the diversion of federal small business contracts to corporate giants." Or why President Obama, the nation's first African-American president, is abolishing the nation's oldest program to direct federal infrastructure spending to minorities.

If you doubt that U.S. government is anti-small business, explain to me why 60 of the top 100 companies listed as federal small business contractors in fiscal year 2010 were actually some of the largest corporations in the world, like Raytheon, Boeing, Lockheed Martin, AT&T, Italian defense giant Finmeccanica, Rolls Royce and British Aerospace.

If you doubt that the U.S. government is anti-small business, tell me why Bank of America, which received \$45 billion in federal bailout money, is now cutting small business lending without being penalized.

To me, our government can be defined by its anti-small business policies and practices. Taken together, they paint a clear picture of our political leaders' corrupt relationship with Fortune 500 firms.

[Click Here to Join The American Small Business League as a Free Member](#)

# THE ASBL CAMPAIGNS FOR YOUR RIGHTS

But we need a little info from you before we can help.

**PLEASE CONTACT US AND TELL US ABOUT YOUR SMALL BUSINESS ISSUES:**

CONTACT US BY [EMAIL](#) by clicking the link, or send your email to [brianreeder@asbl.com](mailto:brianreeder@asbl.com)

CONTACT US BY PHONE at: (707) 789 9575

SEND US SNAIL MAIL to: 3910 Cypress Drive, Petaluma, CA 94954

VISIT US ONLINE at: [www.asbl.com](http://www.asbl.com)

JOIN OUR MAILING LIST BY VISITING: [www.asbl.com/optin.html](http://www.asbl.com/optin.html)

*The American Small Business League is the only small business advocate designed to help increase access to federal contracting opportunities for American small businesses. By becoming a free member, you receive legislative updates and alerts, advocacy information, small business tips, and opportunities to volunteer with our national small business network.*

## Tired of our News Articles, Press Releases, Petitions and Blogs?

- not a problem.

Click on the image below to access our multimedia database of mainstream television and radio appearances by ASBL representatives over the last decade.

**Lloyd Chapman discusses Bank of America's anti-small business policies**

Lchapmanasbl [Subscribe](#) 42 videos

**LIVE 5:11p ET FOX FIFTY**

**IS BofA ANTI-SMALL BIZ? DEVELOPING STORY**

APPLE (AAPL) 418.03 4.59

0:24 / 7:55

This video is public.

## Top 6 Reasons Why Obama's Economic Policies Failed in 2011

By Lloyd Chapman

Politically and economically, the U.S. in 2011 fell flat on its face. There are several reasons why our government miserably failed us this year but the most devastating reason is that it did absolutely nothing to help the economy. In fact, the Obama administration helped make matters worse. Here are my top six reasons why the Obama administration failed us in 2011:

1. Failed to realize that small businesses create all the net new jobs and instead directed most economic stimulus to large corporations that, according to the U.S. Census Bureau data and the Kauffman Foundation, most likely have not created one net new job in 30 years.

2. President Obama failed to honor his 2008 campaign promise to end the diversion of federal small business contracts to corporate giants. The federal government is required to award 23 percent of all prime contract dollars to legitimate small businesses but because of fraud, loopholes and lack of oversight, most of that money is awarded to Fortune 500

corporations and their subsidiaries.

3. Decreased transparency in federal contracting by removing the parent company duns number from the Federal Procurement Data System, making it easier for large corporations to misrepresent their size status in order to hijack small business contracts and for the government to misrepresent the true volume of contracts awarded to small businesses.

4. Announced plans to remove from the Federal Acquisition Regulation (FAR) one of the largest and most effective federal contracting programs for minority-owned small businesses, originally established through the efforts of Martin Luther King Jr., and the passage of the Civil Rights Act. Dismantling of this program could cost minority-owned small businesses up to \$25 billion annually and unemployment among minorities will undoubtedly rise as a result. It is ironic that minority communities were moved to tears when Barack Obama was elected president and now he is removing one



of their simplest and most effective methods of economic stimulus.

5. He tried to create jobs by using tax cuts when most leading economists agree that tax cuts do not create jobs. Tax cuts will increase the deficit and ultimately harm the economy.

6. He will extend the Comprehensive Subcontracting Plan Test Program (CSPTP), which establishes anti-small business policies that exempt large defense contractors from disclosing whether they've met

their small business subcontracting goals and also exempts large defense contractors from any penalties of non-compliance with congressionally mandated small business procurement goals. All evidence shows that this hurts small businesses.

Judging by his actions, it seems that Barack Obama is becoming one of the most anti-small business presidents in U.S. history. People need to stop listening to what he says and start watching what he does.

## Obama Extends Program That Reduces Opportunities for Small Business

By Lloyd Chapman

President Obama has extended a 21-year-old defense program that allows large defense contractors to withhold subcontracting information from the public, media and Congress.

The program – known as the Comprehensive Subcontracting Plan Test Program (CSPTP) – was established in 1990 in an attempt to reduce administrative burdens associated with small business subcontracting goals. The program's three-year reauthorization was included in the National Defense Authorization Act of 2012.

The American Small Business League (ASBL) has long

maintained that the CSPTP allows large defense contractors to evade the Small Business Act, which requires that 23 percent of all federal contracts (including subcontracts) must be with small businesses.

Participants of the CSPTP, including 12 of the largest federal contractors, are exempt from submitting subcontracting reports used by federal agencies to monitor compliance with small business goals. This allows large contractors to dodge the Federal Acquisition Regulation "liquidated damages" clause, which requires any government contractor that fails to meet its small business-subcontracting goal to pay damages

to the federal government in the amount of the deficiency.

The only known evaluation of the program is a 1994 report obtained by the ASBL through the Freedom of Information Act. The 1994 report indicated a decline in subcontract work for small businesses since implementation of the CSPTP.

In 2010 five members of Congress led by New York Congresswoman Yvette D. Clarke called for a federal investigation of the program. In a letter written to the General Accountability Office (GAO) the representatives stated, "Federal contracting data calls into question whether ... participants in the

CSPTP are actually meeting their small business subcontracting goals." Despite these efforts, the GAO has not investigated the CSPTP.

"If President Obama thinks eliminating reporting requirements for large defense contractors and exempting them from penalties is a good idea, then the IRS should adopt the same policy so the public wouldn't be required to submit income tax returns and there would be no penalty for not paying your taxes," said ASBL President Lloyd Chapman. "This is another Obama administration anti-small business policy that you won't read about in the national media."

## H.R. 3184 Will Curb Federal Small Business Contracting Fraud

By Brian Reeder

Rep. Hank Johnson (D-GA-04) introduced a bill to the house that aims to channel hundreds of billions of dollars in existing federal infrastructure spending to the nation's middle class.

H.R. 3184, "The Fairness and Transparency in Contracting Act," will prevent the federal government and contracting officers from reporting contracts awarded to Fortune 500 corporations and other publicly traded companies as small business contracts.

"Large companies need to stop masquerading as small businesses to get government contracts," said Johnson. "Especially given how many small businesses are struggling in this economy, H.R. 3184 will go a long way in helping stop this abuse."

H.R. 3184 is the result of more than 15 federal investigations, originally prompted by American Small Business

League (ASBL) President Lloyd Chapman, that have all uncovered hundreds of billions of dollars in federal small business contracts being awarded to some of the largest companies worldwide.

In Report 5-15, the Small Business Administration Office of Inspector General (SBAIG) described the abuse as, "One of the most important challenges facing the Small Business Administration and the entire federal government today."

In February of 2008, President Barack Obama acknowledged the magnitude of the problem when he stated, "It is time to end the diversion of federal small business contracts to corporate giants."

The bill is based on current provisions of the Small Business Act, which define a small business



[Click here to view the full text of H.R. 3184, and here to learn what you can do to support H.R. 3184, "The Fairness and Transparency in Contracting Act."](#)

as a company that is "independently owned," which would exclude any publicly traded company. Chapman estimates that H.R. 3184 could redirect more than \$100 billion a year in federal small business contracts back to middle class firms.

The ASBL conducted a review of the top 100 small business contractors for FY 2010 and identified 61 large companies. Among these were Lockheed Martin, ManTech

International Corporation and Italian defense conglomerate Finmeccanica. "H.R. 3184 is a deficit-neutral and permanent economic solution that will create more jobs than anything President Bush or President Obama ever spoke of," said Chapman. "The diversion of federal small business contracts to corporate giants has gone on for over a decade. Now is the time to pass this legislation as a means of boosting the middle class economy."

## ASBL in the News:

### Fraud and Loopholes Deliver Small-Business Contracts to Big Firms

By Robb Mandelbaum, NY TIMES 11/1/11

It's been a busy season for combating fraud in government contracts for small business, for prosecutors enforcing the law as well as the legislators trying to improve it. But for both, it appears to be an uphill battle.

In June, the federal government charged two men with creating a fake small business to win a \$100 million Defense Department contract. Two months later, a businessman pleaded guilty to obtaining false citizenship papers, which he used to get a security clearance from the Department of Defense so that he could receive preferential small-business contracts.

In October, one man pleaded guilty to a scheme in which he and a partner vouched for the small-business status of each other's company. That, in turn, led the Justice Department to uncover an alleged ring of bribery and kickbacks centered at Eyak Technology, or EyakTek, nominally a small business based in Virginia with a \$1 billion contract to provide information and security technology to government agencies. An indictment announced on Oct. 4 claims that the company's contracting director conspired with officials in the Army Corps of Engineers to steer federal purchases to an unnamed subcontractor. That subcontractor then inflated its bills — by \$20 million, according to the indictment — and used part of the proceeds to pay off the Eyak and Army Corps officials.

The federal government is the world's largest buyer of goods and service, and it is supposed to make sure that 23 percent of those purchases go to small businesses. In the case of economically disadvantaged businesses, government agencies can often set aside contracts and award them without putting them up for a competitive bid. The government perennially misses those goals, but most observers believe that the amount of small-business contracts the government does report masks a share that have in fact been diverted to larger companies. Fraud is an important, though unquantified, culprit.

Observers say government officials in charge of procurement are often too busy to look closely at a company's small-business credentials. But the Small Business Administration's inspector general, Peggy E. Gustafson, testifying in a Congressional hearing last week, said that her agency often did not effectively oversee the contracting programs and did not aggressively pursue companies that misrepresented themselves as small. The S.B.A., Ms. Gustafson said in her prepared statement, "needs to change its culture so that employees understand that their mission includes not only assisting small businesses but also ensuring accountability and integrity to prevent

fraudulent and improper actions from depriving procurement opportunities for legitimate firms."

Ms. Gustafson also said that despite the recent legal victories, seeking justice in a courtroom was difficult because a company that fraudulently identifies itself as small in order to win a federal contract usually fulfills the contract. "Without an associated and definable loss to the government, criminal prosecutors are sometimes reluctant to pursue action against these companies, or if they do pursue them, may only be able to obtain limited sentences," she said.

That is not the case in the EyakTek case, where the government allegedly paid for the conspirators' BMWs, first-class airfares and Cartier watches. But while the company itself was not implicated in wrongdoing — charges were only brought against its head of contracting — the allegations surrounding EyakTek raised other troubling questions about small-business contracting, because the company had a legally sanctioned leg up in the competition for small-business contracts. Eyak is what's known as an Alaska Native Corporation, and with that designation, it is able to compete for contracts set aside for companies that participate in the S.B.A.'s 8(a) program. This is a program intended to help small, disadvantaged businesses — particularly those owned by minorities — by providing business training coupled with opportunities for no-bid contracts set aside just for them.

In the 1970s, Congress made Alaska Native Corporations a special class of 8(a) business. Unlike most businesses in the program, the Alaskan companies are not subject to a limit to the size of a no-bid contract. And while a typical 8(a) business must be managed by someone who meets the program's definition of disadvantaged, that's not the case with Alaska Native Corporations, which tend to recruit executives with broad and deep ties across government agencies and pay handsomely for their experience.

These features have made Alaska Native Corporations very popular with government bureaucrats because they offer an easy way to meet small-business quotas. In 2009, according to the S.B.A.'s inspector general, Alaskan firms took in 26 percent of total 8(a) contract dollars. EyakTek and other subsidiaries of the Eyak Corporation together took in at least \$338 million, according to a search of the federal contracting records performed by the American Small Business League, which lobbies for integrity in small-business contracting. (If a native company gets too big to participate in the program, the parent corporation can simply create a new company — another advantage not afforded other program participants.)

Any effort to change the rules for Alaskan companies is likely to meet stiff resistance in Congress. (Alaska's representative, Don Young, is the second-ranked Republican in the House in terms of seniority and the sixth most senior of all representatives.)

Surprisingly, even trying to pass legislation to curb fraud is more difficult than one might expect. In her testimony, Ms. Gustafson proposed measures to make it easier to prosecute fraud and stiffen penalties for conviction, in part by defining a loss to the government as equal to the size of the contract.

A bill containing these provisions has passed the Senate, but Rep. Sam Graves, the chairman of the House Small Business Committee, faulted the Senate bill for, among other things, not including an exemption for honest errors. "The small-business affiliation rules are complex and are not intuitive, so I'm hesitant to potentially trigger jail time for companies that make a mistake," he said in an interview with VetLikeMe, a newsletter for business owners who are wounded veterans, "although I agree that we need to more vigorously enforce the certification rules." The House has not yet taken up the Senate bill.

Mr. Graves also expressed skepticism about a separate House bill, introduced last month, that would exclude the subsidiaries of publicly traded companies from the definition of a small-business contractor. The law already requires that recipients of small-business contracts must be independently owned and operated, but a American Small Business League spokesman, Brian Reeder, said a clarification was necessary. "Common sense says that independently owned means not publicly traded," he said, "yet publicly traded companies and their subsidiaries receive contracts that government agencies put towards their small business goals."

The bill was introduced by Rep. Hank Johnson, a Georgia Democrat, with support from 16 other Democrats. No Republicans sponsored the legislation, and Mr. Graves, the Small Business Committee chairman, opposes the bill "because it places further restrictions on how a small business can be organized and the source of its investment," said a spokesman, Darrell Jordan. "At a time of record unemployment, Chairman Graves wants to support measures that help small businesses grow."

Opposition to Mr. Johnson's measure isn't strictly partisan. The Georgia congressman introduced an identical bill last year, while Democrats were in charge. It died in committee.

## ASBL in the News:

### Stars and Stripes Ombud: A Step in the Right Direction on Openness

By Mark Prendergast, Stars and Stripes 12/28/11

Identities of Defense contractors may no longer be concealed from public scrutiny without compelling justification under a "significant regulatory action" ordered by the Obama administration to increase transparency and accountability in all government spending.

A proposed rule published in the Federal Register on Nov. 29, and echoed in a Dec. 16 Pentagon advisory to its legion of contract officers, would "strictly limit" and "discourage" identifying recipients of unclassified contracts as "miscellaneous foreign contractors."

That practice was brought to light for Stars and Stripes readers in an ombudsman column posted online July 12, 2010. (At 4,000 words, "Behind the Media Contractors' Veil" was too long for the newspaper.) All told, the column reported, the government spent more than \$40 billion on "miscellaneous foreign contractors" during the previous decade.

The column identified established American public relations firms that had received millions of dollars in unclassified contracts for media services in Iraq and Afghanistan. Part of that work involved assisting Public Affairs operations that provide information to Stars and Stripes reporters, other journalists, readers and the American public at large.

(As ombudsman, I am directed by Congress to track "the state of the free flow of information to the armed forces via the Stars and Stripes.")

Yet those American firms — with offices or headquarters in Washington, Los Angeles and New York City — were identified only as "miscellaneous foreign contractors" on [usaspending.gov](http://usaspending.gov).

That Web site was created by legislation co-sponsored in 2006 by then-Sen. Barack Obama to raise public awareness and accountability for the trillion taxpayer dollars spent annually on unclassified contracts and grants.

Beginning two months after my column appeared, the White House Office of Management and Budget, the Defense Department and the General Services Administration all issued advisories in late 2010 cautioning against substituting a generic identifier like "miscellaneous foreign contractors" for a contractor's name and specific ID number, called a DUNS number.

The new measures go further, mandating reform of the practice and an overhaul of contract-reporting procedures.

All official guidance issued in the last year and a half makes note, as did my column, that use of generic ID's impedes compliance with the Transparency Act and thwarts the purpose for which [usaspending.gov](http://usaspending.gov) was created.

The Nov. 29 rule, along with the Dec. 16 Pentagon memo, takes clear, concrete steps to tighten contract-reporting policy and improve compliance with the Transparency Act.

In his memo, the director of Defense Procurement and Acquisition Policy, Richard

Ginman, said that because a generic DUNS number "masks the true identity of the vendor," it "shall not be used" in listing Defense contract transactions — he underlined "shall not" — except under the "rare conditions" detailed in the new seven-page-long rule.

According to that rule, the new policy limits allowable exceptions to "small-dollar" contract "actions valued at or below \$25,000 that are awarded to a contractor that is—"  
 "(A) A student;  
 "(B) A dependent of a veteran, foreign service officer, or military member assigned overseas; or  
 "(C) Located outside the United States and its outlying areas as defined in 2.101 for work to be performed overseas, and the contractor does not otherwise have a DUNS number;  
 "(ii) Contracts awarded to individuals for performance overseas; or  
 "(iii) Specific public identification of the contracted party could endanger the mission, contractor, or recipients of the acquired goods or services."

This is much closer to the original intent of generic ID's, which was to give officers in the field flexibility to "micro-purchase" goods and services on a local economy, protect the people who provided them from reprisal, and preserve operational security.

One of the most striking findings I encountered in my reporting was that some established U.S. firms seemed unaware that they had been labeled "miscellaneous foreign contractors."

Indeed, some contractors' Web sites openly touted the very same contracts that the government had listed as having gone to "miscellaneous foreign contractors."

In one case, Pentagon officials and a senior executive even gave newspaper interviews about a particular contract that the Defense Department had nonetheless quietly listed as going to "miscellaneous foreign contractors." (See "Behind the Media Contractors' Veil.")

One corporate spokesman expressed indignation to me that his firm had been so identified. A contracting executive at another said he had no explanation for his firm's being listed as "miscellaneous foreign contractors."

One possible explanation came from a DOD contract officer in Afghanistan. The officer, who reluctantly spoke with me by phone last winter on condition of anonymity, allowed that "miscellaneous foreign contractors" had become the "default" identifier for any contract listing that contained incomplete or inaccurate data on a vendor.

In other words, a couple of digits or letters dropped or swapped could produce a listing showing a contract had gone to "miscellaneous foreign contractors" instead of the actual recipient.

And that could conceal not only who is doing what but who is getting what, both in terms of public disclosure and internal recordkeeping.

The DOD's Ginman noted that even when

a generic ID is allowed, it must "never be placed on the actual contract document" because that "immediately makes any electronic processing of invoices, receiving reports, and payments impossible; and can, in fact, result in mis-directed payments."

The Nov. 29 rule declares that "use of a generic number is contrary to the Transparency Act requirements to make publicly available the total amount of federal funding awarded to a contractor."

This "adversely affects the transparency of the Government's data," it continues, and "the contractor is not able to access and perform its own reporting requirements, such as Transparency Act subcontract reporting, because the contract is not associated with the contractor in Federal-wide processes."

And that is of great concern to budget watchdogs like Lloyd Chapman, president of the American Small Business League, an advocacy group long critical of "miscellaneous foreign contractors" and the like.

Chapman worries that such devices can disguise big-corporation involvement in ostensibly small businesses, leading to underbidding and the diversion of contracts set aside by law for genuine small businesses.

"The problems in federal contracting are so massive, so horrific," he said, "that the DUNS number reforms may just be a symbolic concession."

One can understand Chapman's skepticism.

At one extreme, the trade press consistently lists "miscellaneous foreign contractors" among top Defense contractors, right up there with Boeing and Lockheed Martin.

At the other end is John Brooks Rice.

The Associated Press reported in September 2010 that the Coast Guard had paid him \$9,000 a month to monitor and rate news coverage of the BP oil spill in the Gulf of Mexico.

The contract identified Rice, a New Orleans man who occasionally works for FEMA, as "miscellaneous foreign contractors."

Yet it still remains that commanders in operational situations must have latitude to buy goods and services in-country without excessive red tape or exceptional risk of reprisal to the providers or to their own forces.

At the same time, Americans, in uniform and out, have the right to know not only how their government is spending their money but also who is helping provide information that shapes public perceptions of national undertakings like war and military operations.

The Obama Administration's new initiative is a step in the right direction, toward balancing vital, varied and sometimes even competing national interests.

**By failing to hold firms accountable, SBA and contracting agencies have sent a message to the contracting community that there is NO PUNISHMENT OR CONSEQUENCES for committing fraud...**

from the U.S. Government Accountability Office report [GAO-10-108](http://www.gao.gov/products/GAO-10-108)

[Click Here to Join The American Small Business League as a Free Member](#)

*The American Small Business League is the only small business advocate designed to help increase access to federal contracting opportunities for American small businesses. By becoming a free member, you receive legislative updates and alerts, advocacy information, small business tips, and opportunities to volunteer with our national small business network.*