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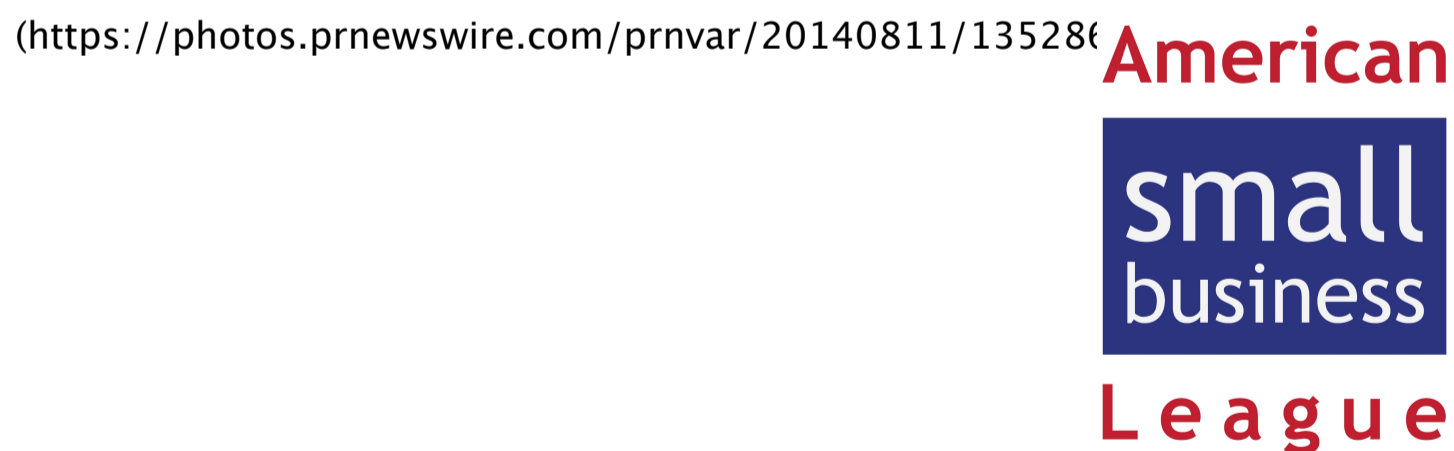


## An Open Letter to Senator Ted Cruz from American Small Business League President Lloyd Chapman

PETALUMA, Calif., May 2, 2016 /PRNewswire-USNewswire/ -- The **American Small Business League** (<http://www.asbl.com/showmedia.php?id=2635>) (**ASBL** (<http://www.asbl.com/>)) is asking all Presidential candidates to celebrate Federal Small Business Week by pledging to keep a 2008 campaign promise President Obama made when he stated, "**It is time to end the diversion of federal small business contracts to corporate giants.**" (<http://www.asbl.com/showmedia.php?id=2270>)

Federal law mandates **a minimum of 23% of the total value of all federal prime contracts be awarded to small businesses.** ([http://asbl.com/documents/Small%20Business%20Act\\_govt\\_goals\\_highlighted.pdf](http://asbl.com/documents/Small%20Business%20Act_govt_goals_highlighted.pdf)) Within that category, the goal states 5% for women-owned small businesses, 5% for minority-owned firms, and 3% for disabled veterans.

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There have been a **long series** (<http://www.cbsnews.com/news/feds-favor-big-business-over-small/>) of **federal investigations** ([http://www.asbl.com/documents/PR\\_links/GAO-10-108.pdf#page=23](http://www.asbl.com/documents/PR_links/GAO-10-108.pdf#page=23)) that have **found** (<http://www.gao.gov/new.items/d03704t.pdf#page=12>) the actual recipients of billions a year in federal small business contracts were **Fortune 500 firms** (<http://www.citizen.org/documents/Small-business-contracting-report.pdf>), their subsidiaries, and **corporate giants around the world** ([http://www.asbl.com/documents/05-15\\_Highlight.pdf](http://www.asbl.com/documents/05-15_Highlight.pdf)).

Since 2002, virtually every major newspaper in the nation has reported on the fraud and abuse in federal small business programs. Every major television network such as **NBC** (<http://www.asbl.com/showmedia.php?id=2240>), **CBS** (<http://www.asbl.com/showmedia.php?id=2192>), **ABC** (<http://www.asbl.com/showmedia.php?id=2136>), **CNN** (<http://www.asbl.com/showmedia.php?id=2209>), **CNBC** (<http://www.asbl.com/showmedia.php?id=2139>), **MSNBC** (<http://www.asbl.com/showmedia.php?id=2239>), **Fox News** (<http://www.asbl.com/showmedia.php?id=2158>) and **RRTV** (<http://www.asbl.com/showmedia.php?id=2202>) have released investigative reports on the blatant fraud in federal small business programs.

In addition to diverting billions a month in **federal small business contracts to corporate giants** ([http://asbl.com/documents/05-14\\_Highlighted.pdf](http://asbl.com/documents/05-14_Highlighted.pdf)), all categories of small businesses have been cheated out of hundreds of billions by what the SBA calls their "**exclusionary rule.**" ([https://www.washingtonpost.com/business/on-small-business/small-business-contracting-numbers-inflated-by-errors-and-exclusions-data-show/2013/07/28/7fa2a4fc-f2f6-11e2-8505-bf6f231e77b4\\_story.html](https://www.washingtonpost.com/business/on-small-business/small-business-contracting-numbers-inflated-by-errors-and-exclusions-data-show/2013/07/28/7fa2a4fc-f2f6-11e2-8505-bf6f231e77b4_story.html)) As opposed to using the total federal acquisition budget as required by law to calculate the percentage of awards to small businesses, the SBA uses a much smaller number to **drastically inflate and fabricate those numbers** ([http://asbl.com/documents/2013\\_TieferOpinion\\_-\\_three\\_issues.pdf](http://asbl.com/documents/2013_TieferOpinion_-_three_issues.pdf)).

According to the Congressional Budget Office for fiscal year 2015, the total discretionary acquisition budget was **\$1.2 trillion** (<https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/graphic/51112-discretionaryspending.pdf>). Yet, the SBA used just **\$352 billion** ([http://asbl.com/documents/fed\\_new\\_radio\\_shoraka\\_exclusions.pdf](http://asbl.com/documents/fed_new_radio_shoraka_exclusions.pdf)) to falsify the government's achievement of small business goals in 2015.

The **Small Business Act** ([http://asbl.com/documents/Small%20Business%20Act\\_govt\\_goals\\_highlighted.pdf](http://asbl.com/documents/Small%20Business%20Act_govt_goals_highlighted.pdf)) that originally established federal small business contracting goals is the single largest economic stimulus program ever passed for middle class Americans.

Based on government data there are over 28 million small businesses in America. Those firms are responsible for the over 50% of the private sector work force and over 50% of the Gross Domestic Product. The SBA data shows that small businesses were responsible for **over 66% of all net new jobs.** (<https://www.sba.gov/managing-business/running-business/energy-efficiency/sustainable-business-practices/small-business-trends>)

What is a better way to invest a minimum of 23% of our tax dollars than to reinvest those funds with the small businesses where most Americans work?

Jobs and the economy are the **single most important issue** (<http://thehill.com/policy/finance/220300-poll-jobs-economy-top-list-of-voters-concerns>) to American voters. The easiest way to create these jobs is to quit cheating the small businesses that generate the majority of America's net new jobs.

There are so many wedge issues in American politics today, but ending federal contracting fraud against small businesses is one of them. I believe **99.9% of voters would agree** (<http://www.pbs.org/newshour/bb/what-job-growth-voters-remain-pessimistic-about-the-economy/>) that the federal government should not cheat small businesses.

**If I were running for president** (<https://www.americanexpress.com/us/small-business/openforum/articles/meet-4-people-giving-small-businesses-a-big-voice-in-washington/?intlink=us-openforum-exp-mostrecent-0>), I would promise Americans, the 28 million small businesses, including the small businesses owned by women, minorities and disabled veterans, and the millions upon millions of Americans they employ, that I would ensure they will no longer be cheated under my administration.

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