

# **Claim; New SBA Policy Will Divert Billions to Big Business**

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"When the federal government hits its small business goals by reporting contracts to Fortune 1000 firms as small business awards, America's small businesses lose out on billions. This is totally unfair and it has to stop."  
*Lloyd Chapman, President, American Small Business League*

A new policy proposed by the Small Business Administration (SBA) and the Office of Federal Procurement Policy (OFPP) will allow the government to continue reporting awards to large companies as federal small business contracts. So claims the the American Small Business League (ASBL), a government watchdog group.

ASBL claims that billions of dollars earmarked for small business is diverted to large corporations. According to ASBL, even though the SBA's Inspector General has urged the agency to implement annual recertification of business size status to prevent fraud and abuse in small business contracting, the SBA has consistently refused to implement it. Instead, ASBL says the agency has adopted a policy that will allow companies to retain their small business status for up to five years. Issued under the guise of improving federal contracting opportunities for small business, this recertification policy will allow the government to continue including contracts to some of the nation's largest companies toward their small business contracting goals.

"This policy should be evaluated by asking one question," stated Lloyd Chapman, president of the ASBL. "Will this policy allow the government to report contracts to Fortune 1000 companies as small business awards? The answer is yes and I'm against it. SBA Administrator Steven Preston and OFPP Administrator Paul Dennett are being deceptive. This policy was designed to help the government, not small firms."

Chapman added, "For over three years the SBA Inspector General has recommended annual recertification of small business size status. This would truly increase contracting opportunities for legitimately small firms by forcing the government to eliminate large businesses from its small-business contracting database. When the federal government hits its small business goals by reporting contracts to Fortune 1000 firms as small business awards, America's small businesses lose out on billions. This is totally unfair and it has to stop."