



American Small Business League

The removal of large firms from federal small business contracting

Report 5-15, released by the SBA Inspector General in March of 2005 stated, "One of the biggest challenges facing the Small Business Administration and the entire federal government today is that large businesses are receiving small business procurement awards and agencies are receiving credit for these awards."



15 Federal Investigations have found fraud, abuse, loopholes and a lack of oversight in Federal Small Business Contracting

LARGE BUSINESSES RECEIVE SMALL BUSINESS AWARDS | February 24, 2005

5-15 | <http://www.sba.gov/IG/05-15.pdf> “One of the most important challenges facing the Small Business Administration and the entire Federal government today is that large businesses are receiving small business procurement awards and agencies are receiving credit for these awards.”

REVIEW OF SELECTED SMALL BUSINESS PROCUREMENTS | MARCH 8, 2005

5-16 | <http://www.sba.gov/IG/05-16.pdf>

“The second MAC [small business contract] was awarded based on a false certification that the company was a small business manufacturer and regular dealer.”

AUDIT OF THE CONTRACT BUNDLING PROCESS | MAY 20, 2005

5-20 | <http://www.sba.gov/IG/05-20.pdf>

“SBA did not review the majority of reported bundled contracts that we identified, though procuring activities must provide, and SBA must review proposed bundled acquisitions. As a result, 192 contracts identified by procuring agencies as bundled were awarded without SBA’s review. If all of these are actually bundled contracts, a minimum of \$384 million would be potentially lost to eligible small businesses, based on minimum dollar reporting requirements of \$2 million.”

AUDIT OF MONITORING COMPLIANCE WITH 8(A) BUSINESS DEVELOPMENT REGULATIONS DURING 8(A) BUSINESS DEVELOPMENT CONTRACT PERFORMANCE | MARCH 16, 2006

6-15 | <http://www.sba.gov/IG/6-15.pdf>

“We reviewed awards to five large companies . . . [that] received contracts totaling over \$1.1 billion in [FY] 2001, including 460 million reported as small business awards.”

“. . . contracting officials were using databases that contained outdated and inaccurate information about the size of the companies we reviewed.”

“While these results cannot be projected to all contract actions reported, they raise serious questions about relying on FPDS data to measure federal agencies’ effort to meet the government’s 23 percent small business goal.”

SBA | Analysis of Type-of-Business Coding for the Top 1,000

Contractors Receiving Small Business Awards in FY 2002

Analysis of Type-of-Business Coding for the Top 1,000 Contractors Receiving Small Business Awards in FY 2002

December 2004 | <http://www.sba.gov/advo/research/rs246tot.pdf>

“Of the top 1,000 small business contractors in FY 2002, Eagle Eye Publishers’ analysis found 44 parent companies it identified as either large firms or ‘other’. Contracts to these two groups taken together had a total value of \$2 billion.”

“As a result of this lack of transparency, many awards that should be reserved for small firms . . . go to large firms unchallenged.”



15 Federal Investigations have found fraud, abuse, loopholes and a lack of oversight in Federal Small Business Contracting

GAO-05-459 DEPARTMENT OF ENERGY

Improved Oversight Could Better Ensure Opportunities for Small Business Subcontracting

May 13, 2005 | <http://www.gao.gov/new.items/d05459.pdf>

GAO-06-874T | ALASKA NATIVE CORPORATIONS

Increased Use of Special 8(a) Provisions Calls for Tailored Oversight

June 21, 2006 | <http://www.gao.gov/new.items/d06874t.pdf>

“ . . . the Army awarded noncompetitive 8(a) contracts to two ANC firms; these firms in turn subcontracted with large security guard companies. ”

“ . . . significant improvements are needed in SBA's oversight of the program. Without stronger oversight, there is potential for abuse and unintended consequences.”

GAO-06-791R | Commerce Information Technology Solutions

Next Generation Governmentwide Acquisition Contract June 14, 2006 | <http://www.gao.gov/new.items/d06791r.pdf>

“We found that many of the 55 COMMITS NexGen contractors have grown significantly or have been acquired by larger businesses and may no longer meet small business size standards.”

GAO-06-399 | CONTRACT MANAGEMENT

Increased Use of Alaska Native Corporations' Special 8(a) Provisions Calls for Tailored Oversight

April 2006 | <http://www.gao.gov/new.items/d06399.pdf>

“Examples where SBA's oversight has fallen short include not . . . adhering to a legislative and regulatory requirement to ascertain whether 8(a) ANC firms have, or are likely to obtain, a substantial unfair competitive advantage within an industry . . .”

GAO-03-704T | Testimony Before the Committee on Small Business, House of Representatives

Reporting of Small Business Contract Awards Does Not Reflect Current Business Size

Wednesday, May 7, 2003 | <http://www.gao.gov/new.items/d03704t.pdf>



15 Federal Investigations have found fraud, abuse, loopholes and a lack of oversight in Federal Small Business Contracting

SBA SMALL BUSINESS PROCUREMENT AWARDS ARE NOT ALWAYS GOING TO SMALL BUSINESSES | FEBRUARY 24, 2005

5-14 | <http://www.sba.gov/IG/05-14.pdf>

“The SBA awarded four of the six high dollar procurements, reported as small business procurements, to large companies at the time of the procurements.”

“If SBA had put as much effort into verifying whether the company currently met the award’s size standard as it put into trying to find ways to earn credit toward its small business goals, then perhaps the contract action would have been awarded to a company that was legitimately small at the time of the award.” “If SBA had put as much effort into verifying whether the company currently met the award’s size standard as it put into trying to find ways to earn credit toward its small business goals, then perhaps the contract action would have been awarded to a company that was legitimately small at the time of the award.”

SBA OIG Semi-annual report

September of 2005 | <http://www.sba.gov/IG/sar-9-2005.pdf>

“In June 2005, the OIG recommended that SBA debar a company for misrepresenting that it was a small business concern in obtaining a Government contract which was set-aside for a small business. The OIG’s recommendation to the Agency related that the company had exceeded the applicable size standards identified in the relevant solicitation at the time that it bid on the contract.” (Page 13)

“An SBA employee allegedly used his position to obtain over \$20,000 for his personal benefit from an 8(a) contractor who received over \$3 million in contracts.”

THE CENTRAL CONTRACTOR REGISTRATION NEEDS LARGE BUSINESS AND SMALL BUSINESS DESIGNATION IMPROVEMENTS | March 21, 2006

6-18 | <http://www.sba.gov/IG/6-18.pdf>

“CCR has two sections that reflect a company’s size information and the information in one section can mistakenly contradict the information in the other section. Contracting Officers and other government officials may use incorrect size information to justify a small business procurement . . .”

SBA OIG Semi-annual report

September of 1995 | <http://www.sba.gov/IG/sba509.html>

“Over the past few years, the Investigations Division has noted several instances of a particular fraudulent practice: companies that SBA, after sustaining protests against them, had prohibited from representing themselves as small businesses . . . were continuing to falsely certify themselves as eligible for small business set-aside contracts.”



15 Federal Investigations have found fraud, abuse, loopholes and a lack of oversight in Federal Small Business Contracting (statements)

Large companies, including large, multinational corporations are taking away federal contracts specifically intended for small businesses.

Report 5-15, released by the SBA Inspector General in March of 2005 stated, "One of the biggest challenges facing the Small Business Administration and the entire federal government today is that large businesses are receiving small business procurement awards and agencies are receiving credit for these awards."

Report 5-14, the SBA Inspector General investigated the SBA's own small business contracting statistics. They reviewed the six largest contracts the SBA itself had reported as going to small businesses. Report 5-14 states, "Of the six high dollar contracts reported as going to small businesses, four were awarded to large businesses at the time of the procurement." One of the four small business contracts actually went to Buhrmann NV, a multinational, multi-billion dollar corporation headquartered in Holland with 17,000 employees in 26 countries.

Quotes

- “We now have hard data, and not just anecdotes, from across federal agencies that shows contracts meant for small businesses were going to larger firms.” - **Thomas Sullivan, Head of SBA's Office of Advocacy, Sacramento Bee, December 29, 2004**
- “A lot of the money that you would think is going to truly small businesses isn't.” - **Larry Makinson, senior fellow at the Center for Public Integrity Chicago Tribune, October 15, 2004**
- “The numbers are inflated, we just don't know the extent.” - **David Drabkin, senior procurement officer for the General Services Administration. Associated Press, July 11, 2003**
- “This transition has led to the apparent diversion of contract dollars intended for small business.” - **Sue Hensley, SBA Spokeswoman, Associated Press, July 11, 2003**
- “Politicians love to say they want to help small businesses, but how can any politician make that claim with a straight face when contracts that should be going to these hard-working small businesses are being turned into giveaways to large multinational companies?” - **Senator John Kerry (D-MA), Marin Independent Journal, December 20, 2002**

H.R. 1873

In May, the house passed H.R. 1873: the Small Business Fairness in Contracting Act. This bill has many positive provisions that will help small businesses. However, it does not require annual re-certification for all companies with existing Federal small business contracts. On June 30th, a Small Business Administration policy went into effect that will allow Fortune 1000 firms and international firms to continue to keep Small Business contracts through 2012.



Case for Annual Recertification

When the diversion of federal small business contracts was first uncovered in 2002, the first solution was proposed by the Whitehouse Office of Federal Procurement Policy and called for annual re-certification of small business status for all firms with federal small business contracts.

Since that time annual re-certification has been endorsed by the Small Business Administration prior to Steven Preston, the Office of Management Budget, the SBA Office of Inspector General and the Senate Committee on Small Business and Entrepreneurship, which passed annual re-certification as an addition to the SBA reauthorization bill with a unanimous vote.

Current federal policy requires that all small businesses registered under the Central Contractor Registration to update their information annually. One of the fields they have to update is their small business status, so in effect, all business contractors are required to re-certify their small business status already and have been doing so for over 20 years.

The annual re-certification that is already happening needs to become official policy, requiring all firms with federal small business contracts to recertify their small business status on an annual basis.

Opponents of annual re-certification claim it is costly and causes an undo burden on small businesses. Nothing could be further from the truth. Annual re-certification is the process of simply updating company information once a year and takes approximately six clicks of a mouse to affirm status as a small business. It's neither burdensome nor cost prohibitive. Annual re-certification is the simplest, most cost effective, and reasonable solution to stop the diversion of federal small business contracts to large businesses in the United States and Europe.



CCR Annual Re-certification Process

Maintaining Your CCR Registration | http://www.ccr.gov/doc/CCR_Handbook.doc

Your Responsibilities

- You are responsible for ensuring the accuracy of your registration. You must use your D-U-N-S Number in conjunction with your TPIN number when making any changes to your profile.
- You are responsible for updating all of your registration information as it changes, including ensuring that all changes to D&B and IRS are reflected in your CCR registration. Remember that the Legal Business Name and Physical Address information are now automatically input into your registration from D&B, and it is your responsibility to keep this information updated at D&B. Companies within the U.S.A. may contact D&B at 866-705-5711. U.S.A. and non-U.S.A. companies may also use the web at <http://fedgov.dnb.com/webform/> to search, revise information, or request a D-U-N-S number.
- **You must renew your registration at least every 12 months from the date you previously registered.** However, you are strongly urged to renew more frequently to ensure that CCR is up to date and in synch with changes that may have been made to DUNS and IRS information. If you do not renew your registration, it will expire. An expired registration will affect your ability to receive contract awards or payments, submit assistance award applications via Grants.gov, or receive certain payments from some federal government agencies.
- Please remember that once you cancel your registration, all payments, if payments are being made, will cease. A registrant must remain active in CCR until all payments are made to avoid discontinuation.
- You may voluntarily delete your registration at any time by going online with your D-U-N-S Number and TPIN or contacting the CCR Assistance Center at (888) 227-2423 or (269) 961-5757 (DSN: 661-5757). If you delete your registration, your information will be removed from the CCR database. If you delete your registration by mistake, you may also call to reinstate that registration.
- In the event the E-Business POC leaves your organization, you must ensure that his or her alternate and successor have the information they need to fulfill the E-Business POC role. For instance, the E-Business POC must know the names, contact information, and access privileges of each POC.
- In the event the Registrant (also known as the CCR POC) leaves your organization, you must ensure that his or her alternate and successor have reference materials they need to continue the CCR update process. For instance, the CCR POC should have access to reference guides, names, and contacts of individuals involved with the CCR registration process and other information needed to update the CCR record.



CCR Search

CCR Home Search Register in CCR

Search Results Detail

CCR Detail Search Results

Not to be used as certifications and representations. See [ORCA](#) for official certification.

[Send To Printer](#)

Current Registration Status: Active in CCR; Registration valid until 02/20/2008.

DUNS: 929525509

DUNS PLUS4:

CAGE/NCAGE: 05ZQ4

Legal Business Name: TESSADA & ASSOCIATES, INC

Doing Business As (DBA): TESSADA

Division Name:

Division Number:

Company URL: <http://www.tessada.com>

Physical Street Address 1: 8001 FORBES PL STE 310

Physical Street Address 2:

Physical City: SPRINGFIELD

Physical State: VA

Physical Zip/Postal Code: 22151-2205

Physical Country: USA

Mailing Name: TESSADA & ASSOCIATES, INC.

Mailing Street Address 1: 8001 FORBES PLACE

Mailing Street Address 2: SUITE 310

Mailing City: SPRINGFIELD

Mailing State: VA

Mailing Zip/Postal Code: 22151-2205

Mailing Country: USA

Business Start Date: 03/20/1993

Type of Organization

Corporate Entity, Not Federal Tax Exempt
(State of Incorporation is DE)

Business Types/Grants

- 23 - Minority Owned Business
- 77 - Service Provider
- A5 - Veteran Owned Business
- PI - Hispanic American Owned
- QF - Service Disabled Veteran Owned Business
- VN - Contracts

GOODS / SERVICES

North American Industry Classification System (NAICS)

- 541611 - ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES
- 541710 - RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES
- 561210 - FACILITIES SUPPORT SERVICES
- 561499 - ALL OTHER BUSINESS SUPPORT SERVICES

Standard Industrial Classification (SIC)

- 7389 - BUSINESS SERVICES, NEC
- 8711 - ENGINEERING SERVICES
- 8731 - COMMERCIAL PHYSICAL RESEARCH
- 8744 - FACILITIES SUPPORT SERVICES

Product Service Codes (PSC)

Federal Supply Classification (FSC)

SMALL BUSINESS TYPES

SDB, 8A and HubZone certifications come from the Small Business Administration and are not editable by CCR vendors.

Business Types

A4 - SBA Certified Small Disadvantaged Business

Expiration Date

03/12/2007

North American Industry Classification System (NAICS)

The small business size status is derived from the revenues and/or number of employees entered by the vendor during the registration process.

NAICS Code	Description	Small Business	Emerging Small Business
541611	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	Y	Y

SMALL BUSINESS TYPES

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Business Types	Expiration Date
A4 - SBA Certified Small Disadvantaged Business	03/12/2007

North American Industry Classification System (NAICS)

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NAICS Code	Description	Small Business	Emerging Small Business
541611	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	No	No
541710	RESEARCH AND DEVELOPMENT IN THE PHYSICAL, ENGINEERING, AND LIFE SCIENCES General 500 employees small business size standard: [No] Special 1500 employees size standard for Aircraft: [Yes] Special 1000, employees size standard for Aircraft Parts and Auxiliary Equipment and Aircraft Engine Parts: [Yes] Special 1000, employees size standard for Space Vehicles and Guided Missiles, their Propulsion units, their Propulsion Units Parts, and their Auxiliary Equipment and Parts: [Yes]	See Description	No
561210	FACILITIES SUPPORT SERVICES	No	No
561499	ALL OTHER BUSINESS SUPPORT SERVICES	No	No

POINTS OF CONTACT

Government Business Primary POC

Name: CHARLES PETRILLA (NOT FOR CONTRACTS ADMIN)

Address Line 1: 8001 FORBES PLACE

Address Line 2: SUITE 310

City: SPRINGFIELD

State: VA

Zip/Postal Code: 22151

Country: USA

U.S. Phone: 703-564-1210 Ext.340

Non-U.S. Phone:

Fax: 703-564-1225

Past Performance Primary POC

Name: CHARLES PETRILLA

Address Line 1: 8001 FORBES PLACE

Address Line 2: SUITE 310

City: SPRINGFIELD

State: VA

Zip/Postal Code: 22151

Government Business Alternate POC

Name: PAUL YOUNG

Address Line 1: 8001 FORBES PLACE

Address Line 2: SUITE 310

City: SPRINGFIELD

State: VA

Zip/Postal Code: 22151

Country: USA

U.S. Phone: 703-564-1210 Ext.306

Non-U.S. Phone:

Fax: 703-564-1225

Past Performance Alternate POC

Name: PATTI PRICE

Address Line 1: 8001 FORBES PLACE

Address Line 2: SUITE 310

City: SPRINGFIELD

State: VA

Zip/Postal Code: 22151



5 Points to Eliminate Fraud, Abuse and Loopholes in Federal Contracting

- Government Accountability Office (GAO) Investigation.
- Support Legislation for the removal of large firms from Small business contracting.
- Support annual re-certification for all firms with existing federal contracts in the Senate's version of H.R. 1873.
- Release names of the firms that have been coded as small businesses.
- An equitable distribution of federal contracting dollars.