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# Is The United States Congress actually anti-small business?

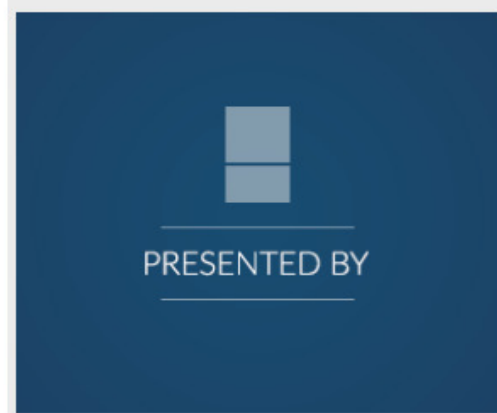
By Lloyd Chapman, President and Founder of the American Small Business League



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A study by the Small Business Administration found over 90 percent of all firms in the United States have less than 20 employees and they are responsible for over 97 percent of the net new jobs. The U.S. Census Bureau has reported similar findings. The Census Bureau found there were over 28 million small businesses in America, over 98 percent of all U.S. firms have less than 100 employees and they create over 90% of the net new jobs.

Show me one piece of legislation passed by Congress in the last 30 years that was specifically written to benefit the 98 percent of all United States firms with less than 100 employees. You can't.




are receiving federal small business awards and agencies are receiving credit for these awards." In 2008 President Obama even recognized the magnitude of the fraud and abuse in federal small business contracting programs when he released the statement, "It is time to end the diversion of federal small business contracts to corporate giants."

There has not been one piece of legislation passed by Congress since the 2003 GAO investigation to halt the diversion of federal small business contracts to corporate giants and big

The single largest economic stimulus plan ever passed by Congress to help small businesses, create jobs and boost the middle class economy is the Small Business Act that mandates **23 percent of all federal contracts be awarded to small businesses.**

In 2003 the Government Accountability Office released the results of their investigation that found the SBA and federal agencies had reported federal contracts to over 5,300 large businesses as small business contracts. In Report 5-15 the SBA Office of Inspector General stated, "**One of the most important challenges facing the Small Business Administration and the entire federal government today is that large businesses**



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business.

Another great example is the Comprehensive Subcontracting Plan Test Program (**CSPTP**). The CSPTP was passed by Congress in 1989 under the guise of "**increasing subcontracting opportunities for small business**." In reality the CSPTP was created to allow some of the Pentagon's largest prime contractors to circumvent the Small Business Act and cheat legitimate small businesses out of billions in subcontracts. The CSPTP had just two provisions. Number one, the complete **elimination** of all transparency on the small business subcontracting achievements of the participants of the CSPTP. Second, the elimination of any and all penalties for non-achievement of small business subcontracting goals such as "liquidated damages."

Try and fully grasp that reality. The United States Congress has allowed the Pentagon to "test" whether eliminating all transparency and penalties for Pentagon prime contractors will "increase subcontracting opportunities for small businesses" for 27 years!

In 2015 the Pentagon finally admitted the CSPTP had reduced subcontracting opportunities for small businesses. Professor Charles Tiefer, one of the nation's leading experts on federal contracting law wrote a lengthy and damning **legal opinion** that called the CSPTP a "sham".

Despite nearly 3 decades of negative results, the 2017 NDAA contains language to make the CSPTP permanent! In addition, the 2017 NDAA will exclude small businesses from participating in foreign contracts and create yet another loophole that will allow the Pentagon to falsify compliance with small business contracting goals.

In 2015 Public Citizen released their report, "**Sleighted**" - "Accounting Tricks Create False Impression That Small Businesses Are Getting Their Fair of Federal Procurement Money..."

As recently as July 25 of this year *Mother Jones* magazine published, "**Giant Corporations Are Reaping Billions From Federal "Small Business" Contracts.**"

There have now been dozens of **federal investigations** that have exposed fraud and abuses in all federal small business contracting programs. For 14 years this story has been covered by virtually every major newspaper in the country. **ABC, CBS, NBC, CNN, MSNBC, CNBC, Fox News, Fox Business** and **RTTV** have all reported on the rampant fraud and abuse in federal small businesses contracting programs.

And what has Congress done to halt these rampant abuses against the small businesses that create over 90 percent of the new jobs? They passed the "**Safe Harbor From Fraud Penalties Policy**" in 2015. This is a magnificent piece of legislation if your goal is to divert more federal small business contracts to corporate giants, protect fraudulent firms and encourage even more fraud and corruption in federal small business contracting programs.

So is the United States Congress anti-small business? You decide.

*Lloyd Chapman is President and Founder of the American Small Business League.*

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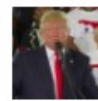
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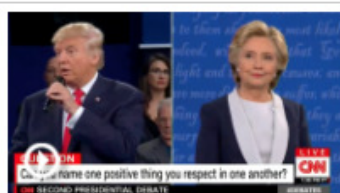
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