




## RS MEMBER DIARY

## Obama's Anti-Small Business "Safe Harbor From Fraud Policy" Goes Unreported

By: **Lloyd Chapman (Diary)** | February 13th, 2015 at 05:40 PM | RESIZE:   
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This week the Obama Administration succeeded in avoiding any mainstream media coverage when they implemented one of the most vile anti-middle class and anti-small business policies in history.

The "safe harbor from fraud penalties" policy went into effect after the Small Business Administration issued their **Final Rule** on its implementation on Feb. 11.

After I had released a **barrage of press releases** and **blogs** sounding the alarm about the proposed "safe harbor from fraud" policy to help big business cheat the middle class, the Obama Administration decided to rename it the "limitations of liability from fraud" policy.

Prior to the "safe harbor from fraud" policy, under section 16(d) of the **Small Business Act**, fraudulent firms that misrepresented themselves as legitimate small businesses to illegally steal federal small business contracts could face up to 10 years in prison, a fine of up to \$500,000 per occurrence, or both.

This new policy will allow fraudulent firms, large businesses and their subsidiaries and divisions of Fortune 500 firms to hijack billions of dollars in federal small business contracts and avoid any prosecution or penalties by simply claiming they "acted in good faith."

Legitimate middle class small businesses will now **lose hundreds of billions of dollars in federal contracts to fraudulent firms** that have essentially been given a "get out of jail free" card by the Obama Administration.

The story of the Obama Administration's "safe harbor from fraud penalties" went completely and totally unreported by the mainstream media.

Obama gave a **great deal of lip service** to "middle class economics" in his State of the Union Address. In reality Obama is arguably the most anti-middle class president in modern history. Unless you're a fan of Red State, the **American Small Business League** and **Lloyd Chapman** you wouldn't have a clue.

What is the largest federal program in history to help the middle class? I say it's the Small Business Act of 1953. Today that law mandates that a **minimum of 23 percent of the total value of all federal contracts be awarded to middle class small businesses**. The purpose of that law is to direct billions in existing federal infrastructure spending to the middle class and create jobs in the nation's 28 million small businesses.

The only federal agency in the entire federal government created to help middle class small businesses is the Small Business Administration. If you listen to Obama's flowery rhetoric about "American families" and "folks getting their fair share" and "folks having a shot at the American dream" and folks this and folks that you would think he is sincerely concerned about the American middle class.

Reality paints a completely difference picture of Obama's true feelings for the American middle class. In addition to his new policy to encourage more fraud in federal programs to help middle class small businesses, he has now **slashed the budget for the Small Business Administration**. The SBA was the only federal agency to see its budget cut. Obama's 2016 budget for the SBA is a paltry \$711 million. That's approximately .0001% of the 4 trillion dollar federal budget Obama has proposed.

That's one ten thousandth of one percent of the overall federal budget for the one and only agency in Washington specifically created to help middle class small businesses.

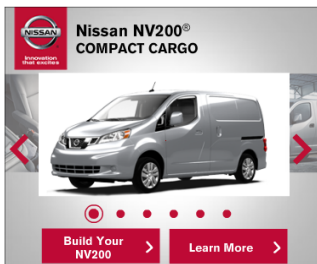

Here is the worst part, Obama has now proposed to **permanently close the SBA and end all federal programs to assist the middle class** and the 28 million small businesses where most Americans work.

As I **predicted back in 2008**, after working on Obama's Presidential Campaign for several months and serving on his Small Business Advisory Committee, he is proposing to close the SBA by **combining it with the Department of Commerce**.


Obama is **determined to destroy every federal program to help the middle class**. His "safe harbor from fraud" policy will encourage rampant fraud in federal small business contracting programs and cheat middle class small businesses out of billions. He has gutted the SBA budget to hamper the agencies ability to manage federal small business programs.

Now he is going to completely close the SBA and permanently end all federal programs to assist the small businesses that the **U.S. Census Bureau** tells us are responsible for over 90% of the net new jobs, over 50% of the private sector work force and over 50% of the Gross Domestic Product.

If you stop listening to what Obama says and begin to watch what he is actually doing, he is without question the most **anti-middle class, anti-small business President in American history**.


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The most troubling aspect of this issue is you will never see or hear a word of these undeniable facts on national television or in any major media outlet in this country.

It looks like the best place to learn about Obama's real plan for "folks, middle class families and middle class economics" is to read blogs on Red State.

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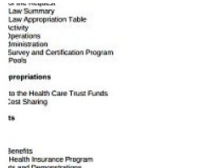
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