

Want to streamline government? Start with the Pentagon.

BY LLOYD CHAPMAN, OPINION CONTRIBUTOR - 01/22/17 12:00 PM EST

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Here are two numbers to remember: 0.0001 and \$6.5 trillion.

The 0.0001 represents the percentage of the federal budget that is allocated to the Small Business Administration's (SBA) current annual operating budget of \$711 million.

The \$6.5 trillion is the amount of our tax dollars the Pentagon's Inspector General says the Pentagon cannot account for. To put that into perspective, you could operate the SBA at its current annual operating budget for 9,142 years on the funds the Pentagon has lost, lost track of, or cannot account for.

So if you want to streamline government, shrink government, reduce redundancy, and make government more efficient, where should President Donald Trump and Congress start? The Pentagon or the SBA?

I predict that any day now legislation will be proposed to essentially close the Small Business Administration and end all federal programs to assist America's 28 million small businesses by merging the SBA with the "Big Business Administration," the Department of Commerce. It will be proposed under the guise of streamlining government or any number of lame and ridiculous excuses that have been drummed up over the last 30 years.

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When Ronald Reagan made it perfectly clear he wanted to permanently close the SBA and end all federal programs to assist small businesses, his plan to accomplish this goal was to merge the SBA with the Department of Commerce.

When Sen. Richard Burr (R-N.C.) proposed legislation in 2011 to close the SBA and "eliminate all federal programs to assist small businesses" by

merging the SBA and the Department of Commerce, he said the bill would save "staggering amounts of money." But is 0.0001 percent of the federal budget staggering? I don't think so. I appeared on Fox Business to debate the

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budget staggering? I don't think so. I appeared on Fox Business to debate the merits of Sen. Burr's bill with Fran Tarkenton.

So if the excuse to close the SBA by merging it with the Department of Commerce to somehow make the entire federal government run more efficiently doesn't make a bit of sense, what's the real motivation to try and close the SBA?

Could it be to obscure the hundreds of billions if not trillions in fraud and abuse that have been exposed in every single federal program designed to assist small businesses?

In 2002, the Government Accountability Office (GAO) launched the first federal [investigation](#) into the diversion of federal small business contracts to corporate giants based on information I provided. The GAO uncovered over 5,300 large businesses receiving federal small business contracts.

Since 2003, there have been more than a dozen [federal investigations](#), and well more than a hundred investigative reports, articles and private studies that have found rampant fraud and abuse in federal small business contracting and subcontracting programs.

[CNN](#), [ABC](#), [NBC](#), [CBS](#), [MSNBC](#), [CNBC](#), [Fox News](#) and [RTTV](#) have all reported on the fraud and abuse.

In 2005, the SBA's Inspector General released a [report](#) that stated, "One of the largest 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."

Every year since 2005, the SBA's Inspector General has continued to report the diversion of federal small business contracts to large businesses as the number one problem at the SBA. In 2008, President Obama [said](#), "It is time to end the diversion of federal small business contracts to corporate giants."

In 2014, Public Citizen released its investigative report, [Sleighted](#), on fraud in federal small business contracting programs. In 2016, Mother Jones released its report, [Giant Corporations Reaping Billions in Federal Small Business Contracts](#).

I filed a [Freedom of Information Act case](#) against the Pentagon in 2014 to obtain simple small business subcontracting data. In that case, Federal District Court Judge William Alsup accused the Pentagon of "[suppressing the evidence](#)" and "[covering it up](#)."

Make no mistake, the motivation in Washington to close the SBA and kill all federal programs to assist small businesses and small businesses owned by women, minorities and service disabled veterans has nothing to do with streamlining government, reducing redundancy or any other equally absurd excuse they may come up with.

The real motivation to close the SBA is to obscure decades of fraud, abuse and corruption in federal small business contracting and subcontracting programs at the Pentagon and every other agency in government.

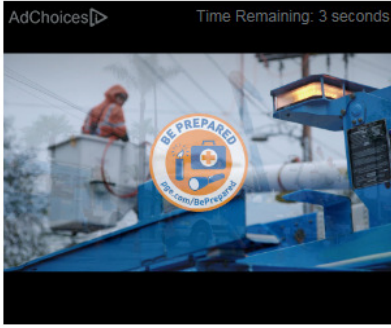
If President Trump and Congress really want to make our government more effective I suggest they begin with financial accountability at the Pentagon and ending the rampant fraud and abuse in federal small business programs.

Lloyd Chapman is president of the [American Small Business League](#).

The views of contributors are their own and are not the views of The Hill.

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