

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

July 18, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler:

I am writing to request additional information on the Small Business Administration's (SBA) June 27, 2025 announcement that you have "directed the SBA's Office of General [*sic*] Contracting and Business Development to launch an immediate and full-scale audit of the agency's 8(a) Business Development Program."¹

Throughout its history, the 8(a) Program has a proven track record of being a "win-win-win" for small businesses, local communities, and federal agency customers. As a time-limited businesses development program that focuses on assisting small, disadvantaged firms across the country, the 8(a) Program imposes specific and strict requirements on participants to become and remain eligible for the contracting opportunities that enable them to grow, hire, and graduate.

Having worked with numerous Administrators of the SBA from both political parties during my tenure on the Small Business Committee, I understand the need for both the SBA and the Committee to regularly review, assess, and update SBA's programs. The Department of Justice (DOJ) investigation cited in your press release is concerning, and the government has a responsibility to hold nefarious actors accountable for illegal activity in all government procurements. I am concerned, however, about the linkage, intent, and scope of your proposed review of the 8(a) program based on the limited information made available thus far, as well as the impact on SBA's resources needed to do so.

The SBA's Office of Government Contracting and Business Development (GCBD) plays a critical role in maximizing opportunities for small businesses to successfully compete for government contracts across all federal agencies, and is tasked with responsibilities that range from conducting small business certifications and size protests; establishing and negotiating federal agencies' annual small business goals; and ensuring agencies and large firms comply with certain prime and subcontracting requirements.

¹ Press Release, U.S. SMALL BUS. ADMIN., Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program (Jun. 27, 2025), <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>.

A 15-year lookback of contracts awarded through the 8(a) program without properly scoped parameters will likely require significant SBA resources. This will be an especially intensive task given that the Office was already under-resourced for its existing missions before this Administration's indiscriminate firings, deferred resignation programs, and the proposed reduction of almost a third of their budget.²

Accordingly, I respectfully request you provide answers to the questions below, in written form or via briefing, by August 8, 2025:

- 1) What information did SBA use to determine that the program “has seen rampant fraud – and increasingly egregious instances of abuse?” Please provide a description of the referenced fraud, instances of abuse and the criteria SBA used to determine they have increased.
- 2) How has SBA defined the purpose and scope of GCBD's review?
- 3) What direction has been given to GCBD on the parameters of this review? Please describe the criteria SBA is using to determine what contracts, companies and federal agencies are to be reviewed, and what information and documentation will be requested or reviewed from federal agency contracting officers, SBA employees from either GCBD or field offices, or targeted companies.
- 4) SBA's press release states the review will begin with “high-dollar” and “limited-competition” contracts. Has SBA established a contract value or other amount to serve as the threshold for “high dollar” or defined the type of contract that will constitute “limited-competition?”
- 5) What GCBD resources, including staffing and costs, have been identified to conduct the review? Are these resources available now and will they be available if, as the SBA's FY26 budget requests, GCBD is cut by almost a third?³ What is the current number of GCBD employees and how many will participate in this review?
- 6) The SBA's press release states: an 8(a) contractor that was “flagged by USAID as lacking ‘honesty and integrity’” who “went on to receive an additional \$800 million in federal contracts.” Please provide the number and dollar amount of contracts, task or delivery orders awarded to this company that produced the referenced \$800 million in federal contracts from USAID, and background on any relevant protest decisions and accompanying remedial actions related to the contract.
- 7) Will the SBA's review of “high dollar” contracts use a threshold based on contract obligations received by small businesses or on the ceiling value of multiple award IDIQs?

² U.S. SMALL BUS. ADMIN., FISCAL YEAR 2026 CONGRESSIONAL BUDGET JUSTIFICATION & FISCAL YEAR 2026 ANNUAL PERFORMANCE PLAN (May 30, 2025).

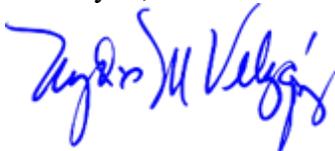
³ *Id.*

- 8) Has SBA provided GCBD with criteria to investigate specified civil violations or criminal conduct? What evidence has SBA used to already determined that the finding of this review, rather than any specific allegations of violations found by this review, will require an Office of Inspector General or DOJ referral “for enforcement?”
- 9) Please provide a list of the statutes and timelines governing record retention requirements for federal contractors, in general or any specifics to the 8(a) program.
- 10) SBA currently has a process in place for government officials, including contracting officers, to report fraud, waste, mismanagement, or misconduct through the Office of Inspector General.⁴ This process allows for anonymity or confidentiality. Has SBA replicated this process for GCBD, and what information has been provided to GCBD personnel on the treatment of confidentiality?

Pursuant to Rule X of the House of Representatives, the Committee on Small Business (Committee) has broad authority to investigate “problems of all types of small business.” The Committee possesses jurisdiction over “assistance to and protection of small businesses.”

I appreciate your time and attention to this matter, and look forward to your response. If you have any questions or to schedule a briefing, please contact the Committee’s Democratic staff at (202) 225-4038.

Thank you,



Nydia M. Velázquez
Ranking Member
Committee on Small Business

⁴ U.S. SMALL BUS. ADMIN., "Contract administration, Report fraud, waste, and abuse."
<https://www.sba.gov/partners/contracting-officials/contract-administration/report-fraud-waste-abuse>.