



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

June 3, 2025

The Honorable Nydia M. Velázquez  
Ranking Member  
House Committee on Small Business  
Washington, D.C. 20515

The Honorable Derek T. Tran  
Ranking Member  
House Small Business Subcommittee on  
Oversight, Investigations, and Regulations  
Washington, D.C. 20515

Dear Ranking Members:

Thank you for your letters dated March 10 and May 21, 2025 – and for your shared commitment to supporting America’s small businesses.

When I announced my Day One priorities for the U.S. Small Business Administration, I made a promise to streamline agency operations, eliminate waste, and refocus our services on the core mission of empowering small businesses and driving economic growth. As part of that effort, the SBA is rigorously evaluating every program, contract, and expenditure to ensure they are efficiently and effectively serving our small business community and taxpayers.

Unsurprisingly, our review uncovered shocking instances of fraud, waste, and mismanagement. The Biden SBA pursued partisan pet projects and dramatically expanded the agency’s administrative bloat. Their actions left the agency in an abysmal state – with billions in runaway fraud, negative cashflow within our flagship 7(a) loan program, and hundreds of unnecessary contracts and leases that cost millions of taxpayer dollars.

The examples are abundant. We uncovered 48 unique and duplicative information technology, platforms, thousands of unused licenses, and dozens of regional offices that housed zero or one employee. The agency’s workforce had doubled in size under the Biden Administration – which is why we took decisive action to reduce it by 43%, in a reorganization effort designed to return the agency to pre-pandemic staffing levels.

In addition, our review revealed that the previous SBA failed to disburse numerous payments to a variety of programs. For example, the agency failed to distribute more than \$17 million to 124 Women Business Centers (WBC) with some payments running five years delinquent. We are working through those payments and have disbursed over \$9 million to 100 WBCs already. We also saved taxpayers almost \$1.7 million by de-obligating payments to WBCs that failed to fulfill requirements. In addition, since January 20, 2025, this SBA has completed 110 SBDC payments totaling \$32,127,757 and 47 Veterans Business Outreach Center (VBOC) payments totaling \$3,503,180. My team is working with each recipient with the goal of approving payments as soon as possible. If recipients delay their responses or don’t provide the requested information, payments will be delayed or blocked.

To date, our analysis and subsequent cost-saving efforts have resulted in a reduction of total agency spending by about \$190 million. We have terminated or paused over 120 contracts for about \$3 billion in life-of-contract savings. We have terminated, consolidated, or relocated 47% of SBA leases – including offices located in sanctuary cities. And our reorganization is expected to generate an additional cost savings of \$435 million by 2026.

Above all, the SBA is committed to streamlining resources, eliminating waste, and enhancing efficiencies to better serve America’s 34 million small businesses. We hope you join us as we usher in this new era of accountability, transparency, and fiscal responsibility – for the betterment of job creators and taxpayers alike.

Sincerely,

Kelly Loeffler  
Administrator  
U.S. Small Business Administration