

Passes U.S. House Committee on Small Business Today

(WASHINGTON) –U.S. Rep. Mike Coffman, R-CO, chairman of the House Small Business Investigations, Oversight and Regulations Subcommittee, introduced legislation this week to help small businesses participate in the procurement system by reducing contract fraud. Today, the bill passed the full House Small Business Committee in markup by a voice vote.

The Contracting Oversight for Small Business Jobs Act of 2012 addresses contracting fraud by providing better procurement training and ensuring that potential cases of fraud are referred to the SBA Inspector General or dealt with through suspension and debarment. Today's bill is the final piece of legislation in the Committee's effort to reform contracting policies.

"Small businesses deserve to have a fair shot at participating in the federal procurement process, but fraud often puts small firms at a disadvantage," Coffman said. "When bad actors get government contracts by pretending to be a small business, it means a legitimate small business lost an opportunity, and the American people lost out on the job creation, innovation and competition that come with awards to legitimate small businesses."

Coffman, a former small business owner, introduced [H.R. 4206](#) to reform small business contracting policy after [a hearing he held in October 2011](#) revealed significant fraud and misrepresentation problems in contracting programs at the Small Business Administration (SBA).

Coffman's bill helps small businesses comply with complicated contracting and size rules, and provides a safe harbor for small businesses making a good faith effort to comply with those rules.

It also establishes real penalties for instances of fraud, including suspension or even debarment from eligibility in SBA programs. Coffman said such actions will do a great deal to ensure that only those firms that are truly eligible are taking part in these programs.

In addition, Coffman's bill will also raise fraud penalties so the cost of litigation by the government no longer outweighs possible recovery, further increasing the likelihood that bad actors are identified, appropriately dealt with, and the programs can continue to provide valuable income streams to those small businesses which are truly eligible and will benefit.

H.R. 4206 also provides a statutory framework for the Office of Hearings and Appeals – the office that decides who truly is a small business.

“We must strengthen the procurement process to punish those who exploit the system and protect legitimate small businesses that are the backbone of our economy and are the engine that drives job creation,” Coffman said.

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