

House committee to review SBA's management

Small-business panel to focus on streamlining, reorganizing agency's operations

- By [Matthew Weigelt](#)
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The Small Business Administration can expect to undergo in-depth, strategic reviews of its operations along with potential deep cuts throughout during the next two years, according to Rep. Sam Graves (R-Mo.), the new chairman of the House Small Business Committee.

Graves is looking for offices and programs that may duplicate each other while not helping small businesses or protecting the government from fraud, according to a [letter](#) released today that lists the areas in which the committee will host hearings in the next two years. The committee is scheduled to hold an organizational hearing Jan. 26.

“The committee will focus particularly on streamlining and reorganizing of the agency’s operations to provide maximum assistance to small-business owners,” according to the letter.

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In the same way as other House Republican leaders, Graves wants to reduce what he calls unnecessary spending and programming. He intends to recommend eliminating offices that assist officials in SBA’s headquarters but that don't promote small businesses’ interests or protect the government. For example, the committee noted a few specific areas, such as SBA’s Office of Policy, its regional administrators, and the Office of Advocacy's regional advocates. The small-business lending fund and loan programs may also face an uncertain future.

“In particular, the committee will assess whether the reorganization and realignment of employees to more critical functions at the SBA, such as positions as procurement center representatives, will provide a more effective agency,” Graves wrote.

The SBA has wrestled with major abuses to its small-business programs, such as those supporting companies in Historically Underutilized Business Zones (HUBZones) and service-disabled veteran business owners. After a hearing in July, Graves said the SBA may need an overhaul because officials had not aggressively dealt with those abuses.

SBA “spends scarce resources studying these problems,” Graves said in July. “The SBA does not need any more studies. It needs action.”

The HUBZone and service-disabled veteran programs will continue to get attention from the committee in this Congress as officials attempt to weed out fraud. Numerous fake companies have been certified into these special categories of small business, which allows them the chance to compete for set-aside contracts.

Overall government contracting issues are another area Graves wants to look into. He wants to see whether fraud and abuses still exist in the programs, but also whether the programs are actually helping more small businesses get involved in the federal marketplace. He also plans to check on other agencies' small-business assistance offices, including the offices of small and disadvantaged business utilization.

Graves will look at whether the government saves money by outsourcing federal services to private companies rather than expanding government to provide them internally.