

**RESOLUTION 11-23**

**SUBJECT: FRAUD PREVENTION CONTROLS OVER SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PROGRAM**

**SOURCE: DEPARTMENT OF VIRGINIA**

**WHEREAS,** The Service-Disabled Veteran-Owned Small Business program (SDVOSB) designed to steer \$4 billion in government contracts to businesses owned by disabled military veterans has allowed over \$90 million to be fraudulently awarded to ineligible companies; and

**WHEREAS,** The Small Business Administration failed to properly check applicants before awarding contracts and failed to take action on disabled veterans complaints of abuses; and

**WHEREAS,** Testimonies presented by the United States Government Accountability Office delivered on November 19 and December 16, 2009 identified millions of dollars of SDVOSB contracts awarded to ineligible firms; and

**WHEREAS,** The Small Business Administration has yet to take action to implement a government wide comprehensive fraud prevention framework for the SDVOSB program; and

**WHEREAS,** Investigation, prevention and monitoring controls will not be effective unless identified fraud is aggressively prosecuted or companies are suspended, debarred or otherwise held accountable; now, therefore, be it

**RESOLVED,** That AMVETS petition Congress to enact legislation that would prosecute firms found abusing the SDVOSB program; and be it further

**RESOLVED,** That AMVETS support the Veterans Administration and the Small Business Administration to expose ineligible firms awarded contracts under the SDVOSB program.

COMMITTEE RECOMMENDATIONS:

CIVIL SERVICE AND VETERAN EMPLOYMENT  
ADOPTED p ADOPTED (as amended) p REJECTED p DEFERREDp

FLOOR ACTION: ADOPTED p ADOPTED (as amended) p REJECTED p DEFERRED p

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