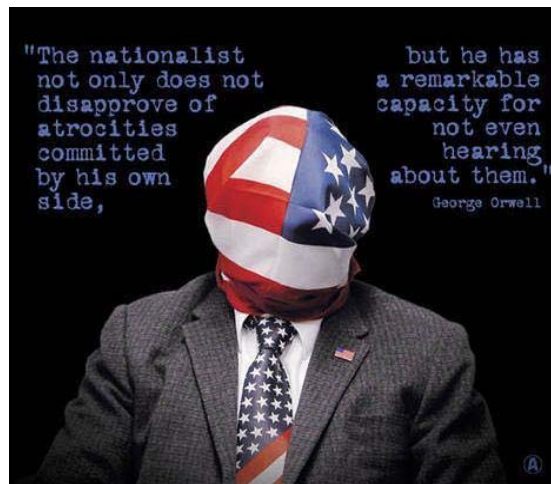




"Veterans are proven leaders and problem solvers.

The same attributes that make these people so vital to defending our freedom are the same hard-earned intangibles that make them exceptional at running their businesses."

**Rocky Bleier,
Vietnam Veteran**



But it gets better. Businesses that were caught misrepresenting themselves as a service-disabled veteran owned businesses kept their huge contracts and did not suffer any punishment at all.

VA officials stated that the certification process could include reviews of documents, validation of the owner's service-disabled veteran status, and potential site visits to SDVOSB firms. To be effective, VA's processes will need to include preventive controls, detection and monitoring of validated firms.

(see Claims, page 3)

Vet Like Me

False Claims by Big Business?

The Government Accountability Office revealed that more than \$14 billion was awarded to businesses that falsified its qualifications as SDVOBs. These businesses allegedly defrauded the government and American taxpayers by bidding on government contracts set-aside for service-disabled veterans owned small businesses.

VA Publishes Final Contract Set-Aside Rule for VOB/SDVOB

After Three Years

The United States Department of Veteran Affairs published long-awaited contracting guidelines creating a set-aside contracting program for veteran-owned and service-disabled veteran-owned small businesses. The guidelines for VA contracting were published in the Federal Register (FR): on December 8, 2009 (Volume 74, Number 234).

Find the FR Report here: <http://tinyurl.com/yzy2dqd>

While this sounds like great news for veteran-owned businesses, the rule also states: “Prime contractors that *propose* using veteran-owned firms as subcontractors also must receive preference.”

(see VA Rule analysis, page 4)

The rule, which has been in development for more than three years, requires VA contracting officers to set aside procurements between \$100,000 and \$5 million if they expect two or more eligible veteran-owned or service-disabled veteran-owned small businesses to submit a fair and reasonable offer. ***VA contracting officers also will be allowed to let sole-source contracts to these firms, for awards from \$3,000 to \$5 million.***

There are nearly 16,000 veteran-owned small businesses in the VetBiz database, including about 9,000 service-disabled veteran-owned small businesses.

While this sounds like great news for veteran-owned businesses, the rule also states: “Prime contractors that *propose* using veteran-owned firms as subcontractors also must receive preference.” The recent GAO report on abuse of the SBA set-aside program (cover story) uncovered companies that misrepresented themselves and/or used a veteran-owned business as a “pass-through.”

According to the report: “This VA-specific rule is a logical extension of VA’s mission to care for and assist veterans in returning to private life,” the notice states. “It provides VA with the new contracting flexibilities to assist veterans in doing business with VA.” ~~

“There is currently no punishment or consequences for committing fraud or abusing the veterans program”

Government
Accountability Office
Report GAO-10-306T

BluePoint
Productions

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“The Small Business Administration — and contracting officials — are currently unable to verify the eligibility of firms claiming to be SDVOBs — except when responding to a protest.”

government. [By having] No clearinghouse for contracting data leads to hidden and invisible contracts with no consequences for abusive firms. The process of self-certification continually leads to fraud.”

Congressional Stance

Bob Filner (D-CA), Chair, U.S. House of Representatives Veteran’s Committee:

“There is a lack of due diligence regarding firms that do business with the federal

Claims, from page 1

The GAO study found that even when firms were found ineligible to receive a contract, they can still retain it because current regulations do not require that the contracting agency terminate the contract.

Currently, neither Small Business Administration, nor contracting officials—except when responding to a protest— are currently able to verify the eligibility of firms claiming to be SDVOBs.” ~~

Useful Links:

—**Veterans’s 2009 Legislation:**
<http://tinyurl.com/ycf7sbg>

— **Ohio Veterans’ Business Update:**
<http://vob108.org/>

— **2010 OSDBU National Conference:**
<http://www.fbcinc.com/osdbu/>

We’ve started *Vet Like Me* to provide service-disabled veteran owned small businesses (SDVOSB) information relevant to us. We search and analyze news and information from many sources that will keep *our business relevant and successful* in the dog-eat-dog business environment.....and while we’re at it, we may as well share it with other disabled vets. If it helps your business, fabulous...

Our plans are to publish quarterly...supply and demand may change the timing. If this news clutters your inbox, let us know and we’ll delete you from our database. (bluepoint1@comcast.net)

Who are we? *BluePoint Productions*, a SDVOB specializing in communications-related activities. Public and media relations, government affairs, communication strategies, special events and communications products are our specialties. ~~

Small Businesses Owned by Veterans and Service-Disabled Veterans Go to the Head of the Line for Veterans Administration Contracts

William Brownsberger, Dec. 21, 2009

VA published a final rule in the *Federal Register* on Dec. 8 creating a set-aside contracting program for veteran-owned and service-disabled veteran-owned small businesses.

The rule, which has been in development for more than three years, requires VA contracting officers to set aside procurements between \$100,000 and \$5 million if they expect two or more eligible veteran-owned or service-disabled veteran-owned small businesses to submit a fair and reasonable offer. VA contracting officers also will be allowed to let sole-source contracts to these firms, for awards from \$3,000 to \$5 million.

“Only a small percentage of veterans own small businesses,” the rule states. “With this new procurement authority, additional businesses may be opened by veterans seeking to participate in the sole-source or set-aside procurement actions. More likely, [veteran-owned small businesses] not currently in the federal market may be expected to explore selling to VA.”

To participate, companies must register with the VetBiz.gov Vendor Information Pages database to verify that they meet all eligibility requirements. Any company that misrepresents itself in the database could face debarment for up to five years.

Previously vendors could self-certify the accuracy of the information provided. But now, officials with the VA Center for Veterans Enterprise must verify the data as part of the VetBiz application process. There are nearly 16,000 veteran-owned small businesses in the VetBiz database, including about 9,000 service-disabled veteran-owned small businesses.

The *Federal Register* notice also requires VA to give small businesses owned and controlled by veterans priority over all other socioeconomic groups, such as firms in historically underutilized business zones and small disadvantaged businesses. Prime contractors that propose using veteran-owned firms as subcontractors also must receive preference.

Congress has not yet authorized a similar procurement program government-wide.

“This VA-specific rule is a logical extension of VA’s mission to care for and assist veterans in returning to private life,” the notice states. “It provides VA with the new contracting flexibilities to assist veterans in doing business with VA.”

The rule builds off a 2004 executive order by President George W. Bush that mandated increased contracting and subcontracting opportunities for veteran-owned and service-disabled veteran-owned small businesses. In 2006, Congress passed the Veterans Benefits, Health Care and Information Technology Act, which authorized VA to set aside and award sole-source contracts to service-disabled veteran-owned small businesses.

VA received 97 comments on its proposed rule, although many were form letters that included identical responses, according to the notice. Officials did not make any significant changes from the August 2008 interim rule.

Among the other policy changes in the final rule, VA contracting officers will not need a waiver to purchase supplies and services from veteran-owned and service-disabled veteran-owned small businesses rather than Federal Prison Industries Inc., the mandatory supplier for agencies purchasing specified products.

The rule also creates a mentor-protégé program at VA in which larger firms tutor, train and guide smaller businesses in exchange for preference in prime contract awards. The mentor firms are encouraged to help service-disabled veteran-owned and veteran-owned small businesses obtain bonds.

In addition, the rule proposes that the Small Business Administration hear protests regarding the size and eligibility of companies winning VA set-aside contracts. VA will accept comments on the proposal through Jan. 7, 2010.

VA awarded 35 percent of its fiscal 2008 contract dollars to small businesses, including 15 percent to veteran-owned small businesses and 12 percent to service-disabled veteran-owned small businesses. In contrast, the government as a whole awarded 3 percent of contract dollars to veteran-owned firms and just 1.5 percent to small companies owned by service-disabled veterans. The government-wide goal in both categories is 3 percent. ~~~