



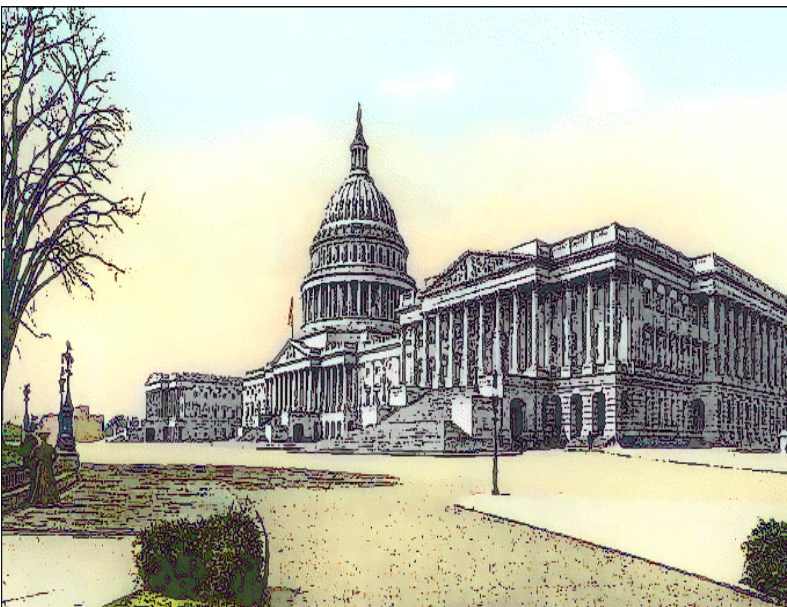
SBA a Cabinet Level Agency — Not Yet

Senator Olympia Snowe (R-ME) is the Ranking Member of the Senate Committee on Small Business and Entrepreneurship. Senator Snowe commented below on her letter to the President requesting that the Small Business Administration (SBA) be elevated to a Cabinet-level agency. The White House to date has not elevated the SBA. Senator Snowe's comment in March, 2010:

Senator Snowe:

“It is regrettable that the President has not followed my advice to make the Small Business Administration a Cabinet-level position. I am truly disappointed given the critical role small businesses will play in leading our economic recovery. That said, it is essential that we continue to focus our efforts on providing our nation's small businesses with the tools they require to get our economy moving again, and I hope that we move quickly to pass a small business jobs bill in the Senate.”

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Even if you're on the right track, you'll get run over if you just sit there."

Will Rogers

In this issue of
VetLikeMe:

-Congressional Representatives have a direct affect on business opportunities for SDVOB.

-Reaction from **ram-pant fraud** uncovered in the set-aside program for SDVOB.

Congressman Bob Filner, December 16, 2009, House Committee on Veterans Administration Oversight and Investigations Subcommittee:

"The Obama Administration has worked to bring a higher level of transparency to government and serious attention must be paid to the acquisition deficiencies at the Veterans Administration (VA). There is a due lack of diligence regarding firms that do business with the VA, no consequences for abusive firms and the process of self-certification continually leads to fraud."

March 11, Hearing of Economic Opportunity Subcommittee: On deficiencies within the Center for Veterans Enterprise:

"Today's economy is particularly challenging for veterans, some who have sacrificed work experience or delayed education to serve in the military. I, along with other Members of this Committee, need to know what resources are needed in order to be successful."~~



**Congresswoman Stephanie Herseth Sandlin, (D-SD)
Chairwoman
House VA Subcommittee on
Economic Opportunity**

On March 11, 2010, Chairwoman Stephanie Herseth Sandlin convened the House Economic Opportunity Subcommittee to examine the role the Center for Veterans Enterprise (CVE) plays for veteran-owned small business. Operated by the VA with **no formal statutory mandate**, CVE's current mission is to improve the business climate for veterans, minimize access barriers and inform the public about the benefits of doing business with veteran-owned small business.

"[this hearing] provided veteran service organizations the opportunity to highlight issues of concern regarding responsibilities that fall under CVE...It is time to get this program on the right track and connect veterans with the services that may help them succeed in their small business ventures.

"CVE's function has shifted from assisting Veteran Owned Business and SDVOB. It has essentially become an information and referrals agency due to lack of resources and support. There is indeed a lack of transparency in the application process and wait time to apply for certification." ~~



**Congressman Bob Filner
(D-CA)
Chairman, House
Committee on
Veterans Affairs**

**Congressman Glenn Nye (D-VA)
Chairman**

**House Small Business Subcommittee on
Contracting and Technology**



We interviewed Mr. Nye about the Government Accountability Report on fraud in the SDVOB program and the CVE program. Mr. Nye recently introduced legislation [<http://tinyurl.com/yhuzmfw>] to put an end to fraud in the contracting system. The bill would assess fines and criminal penalties for falsifying credentials in the government contracting and procurement system. SBA would be required to dedicate more resources for preventing fraud so contracts would be available for legitimate SDVOB.

“It is absolutely unacceptable that some businesses have been allowed to fraudulently and shamefully profit at the expense of our veterans. I will hold hearings in the Subcommittee on Contracting and Technology to thoroughly investigate this situation and find a solution. Right now, my subcommittee is focusing on continuing our investigation into the reports of fraud and abuse in the SDVOB contracting program. The GAO study only scratched the surface, and before I move forward with passing a reform bill, I want to get to the bottom of the problem. My next hearing is scheduled for late April.”

VLM:

Currently there are no penalties for companies that falsify their qualifications and abuse the SDVOB program. Do you think there should be a deterrent to committing fraud?

Mr. Nye:

If you break the law and defraud our veterans, there should absolutely be consequences. My bill would institute penalties for businesses that cheat to gain an unfair advantage.

VLM:

What do you expect from these proposed hearings?

Mr. Nye:

Over the coming weeks and months, I will be calling in government acquisition officials, representatives from the SBA and SDVOB owners to hear from them about how this fraud is hurting veterans - and how we can best fix it.

VLM:

Is there bi-partisan support for your proposed legislation?

Mr. Nye:

Supporting our veterans and stopping fraud should not be a partisan issue, and I'm confident that both Republicans and Democrats will come together to stand up for America's SDVOB. ~~

Featured Interview:

Nydia Velazquez, Chairwoman, House Committee on Small Business

At a November 19, 2009 hearing of the House Committee on Small Business, GAO officials testified that they discovered a lack of fraud prevention measures within the SDVOB set-aside program. Ms Velazquez condemned the fraud as "...nothing short of appalling." *VetLikeMe* interviewed the Congresswoman in March, 2010.



VLM:

What, Ms Velazquez, is a remedy for this situation?

Ms Velazquez:

As shown by the GAO report, the program cannot be policed through a self-certification system that is currently being used. Fraud within the federal marketplace is never an acceptable thing. But it is particularly troubling when it comes at the expense of our veterans. The disabled veterans contracting program was established as a means of empowering these men and women. With unemployment for severely disabled soldiers at 85%, it is particularly important today.

And yet we now have reason to believe the disabled veterans program is being exploited by unscrupulous dishonest businesses that have cheated our veterans out of countless opportunities. This sort of abuse is more than a simple injustice. It is criminal, and it needs to be addressed immediately, not weeks or months down the road.

VLM:

The SBA is mandated with enforcement authority, but lack of resources prohibits adequate safeguards to prevent fraud. What should the government do?

Ms Velazquez:

For these kinds of procurement issues, the SBA has the appropriate expertise. The [House] committee's concerns are not limited to SBA programs alone. Overall, procurement has become increasingly complex for small companies. Misguided efforts to streamline the process have contributed to a surge in contract bundling and a culture of cutting corners.

VLM:

The SDVOB set-aside program has no penalty for businesses that claim to be SDVOB. Would you support a substantial penalty on these businesses?

Ms Velazquez:

The committee is not only going to look for ways to support the disabled veterans contracting program, but to hold the individuals accountable that have sought to game the system at the expense our nation's SDVOB.

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VetLikeMe provides service-disabled veteran owned businesses information relevant to us. We search and analyze news and information from many sources to help keep *our business relevant and successful*. Who are we? *BluePoint Productions*, a SDVOB specializing in communications-related services. Public and media relations, communication strategies, special events and communications products are our specialties. ~

Comments and suggestions are encouraged.

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Editorial

Why Fraud Makes Good Business Sense

Hardy Stone

Amidst the discoveries of fraud in the government procurement program for disabled vets, we ask ourselves...why? Why do companies lie about their qualifications to gain government contracts?

When there are no penalties for defrauding the American public, it makes sense to pretend your company deserves the SDVOB set-asides.

Here's the thinking:

IF we win the contract (and we have as good a chance if not better than deserving SDVOB), we proceed as normal with the contract terms. IF we submit false credentials and our lies are somehow uncovered, there are NO consequences! – and we can:

- (1) keep the contract we scalped from SDVOB. We know that government procurement is a busy, frantic process. Under deadline pressure, contracting officers want bids and awards to go smoothly -- so contracting officers would rather do it quickly than fully investigate bidders.
- (2) we can still bid on future government contracts.
- (3) we can still bid on set-asides we really aren't eligible for.

What's the deal here? Businesses that win SDVOB contracts through fraud are **doing the right thing for their business**. Let's face it. Business involves risk.

Calculated risk, and safe risk is good risk.

So why not falsify? Why not say you were injured in the military? It gives an edge—the battleaxe of business is the edge you have—or the edge you can get. It's pure Machiavellian – “the end justifies the means.” Or the Vince Lombardi axiom: “Winning isn't everything, it's the only thing.”

Not a bad thing, eh? The government won't find out unless a protest is filed. And struggling SDVOB don't have time to protest—they're gunning for other contracts. And if it couldn't get any better for those who lie—it does...no one gets charged with anything—no perjury, no nothing. The absolute ONLY way fraud is discovered is if the contract award is protested, ..and that ain't gonna happen. Not bad for scamming businesses, eh?”

The only punishment for doing this involves CVE—the office within the VA that certifies SDVOB. But CVE only applies to businesses **that do business with the VA**. CVE will ‘debar’ a company that is caught falsifying credentials. This means CVE will take the fraudulent business out of the VA's database of SDVOB. That's the beauty of self-certification. So what if a company is ‘debarred from as an SVDLOB within the VA? They can still bid on other government contracts, and they probably will get consideration for SDVOB set-aside awards. A shady company is smart to bid with false credentials because self-certification is toothless. There are simply **no consequences for lying**.

In the SDVOB set-aside self-certification program, there is never a fine—ever.



Leading the Way on Fighting Fraud

California—with its millions of active duty military, retirees, combat disabled vets, returning disabled vets from the Middle East—California may be setting the stage for the country. An interesting piece of legislation is working its way through the state government that shows promise for SDVOB. If passed, the legislation would penalize companies that misrepresent themselves.

VetLikeMe continues to monitor this legislation through the CA State system. We'll interview the principle players involved. Copy and paste the link below into your browser to see what we hope will spread throughout the nation.

<http://tinyurl.com/y1fjzjo>

Social Networking has taken the globe by storm....SDVOB are taking advantage of this medium to develop partnerships and share pertinent news. Here's a look at two social networks for SDVOB. *Vet-LikeMe* is monitoring these networks and will feature remarks and questions from members. Check them out and join.



Go to LinkedIn.com. Create an account. Click on "Groups Directory" and type SDVOB. You'll see several groups. The first one listed as SDVOB we've found to be most productive and informative. Once you sign up, when another member makes a comment or a post, you will be notified by email.

During the GAO fraud investigations last November, Will B. suggested that SDVOB form a Political Action Committee...plans are underway.

Another very important comment and call to action:

"...the main thing that we can do is advocate for enforcement of the SDVOSB laws. Become a lobbyist, go out of your way to meet and talk to politicians on every level and tell them you expect their support for Disabled Veteran laws. It has paid off in Michigan and other States that now have laws supporting SDVOB's. We are years behind the other groups but they are very aware of us and are fighting hard to block the law changes from "may" to "shall". If you don't think that we have a lot of opposition you are fooling yourself. Keep pushing, Keep fighting and let's hope that our Veteran children or grandchildren benefit from our efforts."~~



Much the same on Facebook. Go to Facebook.com. Create an account then use the search feature for “SDVOB.” Thanks Paul M. for your informative posts.

These communities are not places to solicit, but unfortunately some people take every opportunity to market themselves. It’s easy to separate the wheat from the chaff. Sit back and listen, then join the conversation.

**Service Disabled Veteran-Owned Small Business Luncheon
Fort Myer Officer’s Club, Arlington, VA
April 29, 2010. Luncheon hours: 11:30 am – 1:30 pm.
Registration required. Contact: carl@corporate-gray.com**

Next Issue:

—*VetLikeMe* will explore the ‘parity’ issue between HUBzone set-asides, 8(a), and SDVOB.

—Senate Small Business and Entrepreneurship Committee—Interviews with Senators Landrieu and Snowe.

—Interviews with SBA, CVE officials.

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