

A recent Washington Post story about the diversion of billions in government small business contracts to Fortune 500 firms looks more like it was written by the White House press office than the newspaper that broke the story on Watergate. ( <http://www.asbl.com/showmedia.php?id=1179> )

The story seems "un-Washington Post-like." Titled, "Agencies Counted Big Firms As Small," with a Bush Administration excuse for a subtitle - "SBA Says It Will Correct Data On Federal Contracts." The first sentence begins with "US government agencies make at least \$5 billion in mistakes..."

Just \$5 billion in mistakes; the SBA has it under control, no big deal.

Here's the truth. Federal investigators have released a series of investigations since 2003 that found the Bush Administration has diverted hundreds of billions of dollars in government small business contracts to Fortune 500 firms and thousands of other large businesses. ( <http://www.asbl.com/documentlibrary.html>

) Several investigations uncovered fraud. (

<http://www.sba.gov/IG/05-16.pdf>

) ABC, CBS, CNN (

<http://www.asbl.com/media2.php>

) and every major newspaper in the country have covered the issue. (

<http://www.asbl.com/showmedia.php?id=1121>

)

The Washington Post sampled \$13 billion of the \$89 billion in prime contracts the Bush Administration reported as going to small businesses during 2007. They found at least \$5 billion or 38.5% of the \$13 billion sample went to Fortune 500 firms.

Using the Washington Post's sample, 38.5% of the \$89 billion equals \$34.2 billion in small business contracts diverted to Fortune 500 firms for 2007.

Now consider this, the 38.5% number is just for Fortune 500 firms. What about the thousands of other large business? How much did they get, 30%, 40%, 50%?

Lets be conservative and say 30%. If these contracting officials can't tell Fortune 500 firms like Xerox, Home Depot and Rolls Royce from a small business they are certainly going to have trouble differentiating the average large business from small businesses.

What about subcontracts? The Washington Post did not even look at that. The SBA Office of Advocacy says the Bush Administration reports \$135 billion a year in prime contracts and subcontracts go to small businesses. That's another \$46 billion in subcontracts.

Add the 38.5% for Fortune 500 firms to the 30% for all other large businesses. That is 68.5% of the \$135 billion, or \$92.4 billion a year.

\$92.4 billion a year for the eight years of the Bush Administration, equals \$739.2 billion in small business contracts diverted to many of the largest contributors to George W. Bush and

Congress, by mistake of course, year after year.

Senators McCain and Obama have never mentioned this staggering problem and no journalist has ever asked them a single question on this issue.