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COMMITTEE ON VETERANS' AFFAIRS

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Veteran-Owned Business Certifications Still Falling Short

WASHINGTON, D.C.—Today, the Subcommittees on Oversight & Investigations (O&I) and Economic Opportunity (EO) held a joint hearing to review the Department of Veterans Affairs (VA) Service-Disabled Veteran-Owned Small Business (SDVOSB) certification process. In addition to questions surrounding a new Government Accountability Office (GAO) [report](#) released today on companies fraudulently posing as SDVOSBs to attain government contracts, the Subcommittees also asked about a recent decision by VA that will place veteran-owned businesses at a competitive disadvantage in pursuing contracts at VA.

“VA has made it clear in correspondence and meetings following the *Aldevra* decision that it has no intention of attempting to clear up its own questions about Veterans First. Despite acknowledging a problem, VA is not trying to solve the problem, nor did it even ask Congress or this Committee those questions that needed to be answered years ago,” stated Rep. Bill Johnson, Chairman of the Subcommittee on Oversight & Investigations. “Instead, VA is determined to run this through the court system, eliminating key opportunities for VOSBs to contract with the federal government. When VA cannot, or chooses not, to implement clearly written legislation, we have a problem.”

During the hearing, GAO showed [several pictorial examples](#) of companies investigated who had been certified by VA as an SDVOSB, including one business being used as a “pass-through” entity by a larger, ineligible business to provide portable toilets and wash stations.

“We need to get this right. The certification process must ensure that VOSBs and SDVOSBs are efficiently processed and certified,” Johnson said. “We then must ensure that those same businesses are able to compete for the appropriate contracts. Otherwise, there is no point in having these businesses in the system if VA is going to ignore them.”

“VA data shows contract awards exceeding 20 percent and I congratulate them for that effort. However, the process in achieving those numbers has been painful at best. VA is still recovering from its initial reluctance to implement the law. Its policy of allowing self-certification of ownership and control status instead of actively performing the validation function prescribed in the law has been a disaster,” stated Rep. Marlin Stutzman, Chairman of the Subcommittee on Economic Opportunity. “As a result, as we heard today, millions of contract dollars went to businesses that did not meet veteran or disabled veteran-owned and controlled status.”

Several of the questions asked to the panelists were submitted by the public through the Committee’s Twitter handle: [@HouseVetAffairs](#).

Retweetables:

RT @HouseVetAffairs: #SDVOSB certification still falling short in ensuring #vets can compete for #VA & #govt contracts: <http://Veterans.House.Gov/>

RT @HouseVetAffairs: #Vets participate in #HouseVets hearing via Twitter. Several questions asked of #VA witnesses. Responses will be posted on Twitter.

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