



HOUSE COMMITTEE ON
VETERANS' AFFAIRS
Chairman Phil Roe, M.D.

H.R. 7169: Verification Alignment and Service-disabled Business Adjustment (VA-SBA) Act

Background:

Currently, the Small Business Administration (SBA) certifies a variety of small businesses to participate in a host of federal contracting preference programs, ensuring that only qualified enterprises benefit from over \$105 billion in annual small business spending. However, the exception to this rule is that Service Disabled Veteran Owned Small Businesses (SDVOSB), which are verified by the Department of Veterans (VA) to qualify for VA contracts, are allowed to self-certify in the rest of the federal government.

The result of this disparity in the law has been years of fraud, waste and abuse. Inadequate controls have allowed companies that are not owned and controlled by service-disabled veterans to game the system. This [situation](#) remains a [significant area of concern](#) for the Department of Defense (DoD), the largest federal buyer of goods and services, as well as for [other agencies](#).

The VA-SBA Act would institute an affirmative certification requirement for SDVOSBs throughout the federal government. This legislation would also transfer responsibility for certification from VA to SBA, thus aligning it with all other small business contracting programs. Additionally, it would guarantee that no self-certified SDVOSB would be excluded from a contracting opportunity if SBA was too slow to decide its certification application, and it would preserve the unique Veteran Owned Small Business contracting preference in VA.

The Message:

- The VA-SBA Act would end the practice of SDVOSBs self-certifying for contracting set-asides, which has contributed to fraud, waste, and abuse.
- This legislation would put the SBA in charge of certification, as it is for all other small businesses.
- The VA-SBA Act would allow SBA to better perform its mission of administering small business programs and enable VA to concentrate on its core duty of providing health care and benefits to veterans.