



# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

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JOINT APPLIED PROJECT

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**ANALYSIS OF THE SMALL BUSINESS  
ADMINISTRATION 8(a) BUSINESS  
DEVELOPMENT PROGRAM**

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**June 2015**

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<b>REPORT DOCUMENTATION PAGE</b>			<i>Form Approved OMB No. 0704-0188</i>	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503.				
<b>1. AGENCY USE ONLY (Leave blank)</b>		<b>2. REPORT DATE</b> June 2015	<b>3. REPORT TYPE AND DATES COVERED</b> Joint Applied Project	
<b>4. TITLE AND SUBTITLE</b> ANALYSIS OF THE SMALL BUSINESS ADMINISTRATION 8(a) BUSINESS DEVELOPMENT PROGRAM			<b>5. FUNDING NUMBERS</b>	
<b>6. AUTHOR(S)</b> Robert B. Gallagher				
<b>7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)</b> Naval Postgraduate School Monterey, CA 93943-5000			<b>8. PERFORMING ORGANIZATION REPORT NUMBER</b>	
<b>9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES)</b> N/A			<b>10. SPONSORING/MONITORING AGENCY REPORT NUMBER</b>	
<b>11. SUPPLEMENTARY NOTES</b> The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number ____N/A____.				
<b>12a. DISTRIBUTION / AVAILABILITY STATEMENT</b> Approved for public release; distribution is unlimited			<b>12b. DISTRIBUTION CODE</b>	
<b>13. ABSTRACT (maximum 200 words)</b>  The objective of this project is to examine the current Small Business Administration 8(a) Business Development Program related to contracts awarded by the United States government. As a result of this project, the United States government will gain perspective on the utilization and effectiveness of the 8(a) program. The intent of the Small Business Administration 8(a) Business Development Program is to help socially and economically disadvantaged small businesses gain access to federal contracting opportunities. Government Accountability Office and Inspector General official reports suggest that the 8(a) program lacks management oversight and is susceptible to fraud, waste, and abuse. This research provides an analysis of contracts awarded under the 8(a) program by the Department of Defense in the United States from fiscal years 2008 through 2014. This research analyzes whether or not the 8(a) program's industrial base is expanding and if the program is being abused by private industry. Further analysis of randomly selected contracts is conducted to analyze if the contracts were awarded to certified 8(a) contractors and identify if the program is being utilized as intended.				
<b>14. SUBJECT TERMS</b> 8(a), Department of Defense, California, Sole-Source, Fraud			<b>15. NUMBER OF PAGES</b> 101	
			<b>16. PRICE CODE</b>	
<b>17. SECURITY CLASSIFICATION OF REPORT</b> Unclassified	<b>18. SECURITY CLASSIFICATION OF THIS PAGE</b> Unclassified	<b>19. SECURITY CLASSIFICATION OF ABSTRACT</b> Unclassified	<b>20. LIMITATION OF ABSTRACT</b> UU	

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**ANALYSIS OF THE SMALL BUSINESS ADMINISTRATION 8(a) BUSINESS  
DEVELOPMENT PROGRAM**

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Submitted in partial fulfillment of the requirements for the degree of

**MASTER OF SCIENCE IN CONTRACT MANAGEMENT**

from the

**NAVAL POSTGRADUATE SCHOOL  
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# **ANALYSIS OF THE SMALL BUSINESS ADMINISTRATION 8(a) BUSINESS DEVELOPMENT PROGRAM**

## **ABSTRACT**

The objective of this project is to examine the current Small Business Administration 8(a) Business Development Program related to contracts awarded by the United States government. As a result of this project, the United States government will gain perspective on the utilization and effectiveness of the 8(a) program.

The intent of the Small Business Administration 8(a) Business Development Program is to help socially and economically disadvantaged small businesses gain access to federal contracting opportunities. Government Accountability Office and Inspector General official reports suggest that the 8(a) program lacks management oversight and is susceptible to fraud, waste, and abuse. This research provides an analysis of contracts awarded under the 8(a) program by the Department of Defense in the United States from fiscal years 2008 through 2014. This research analyzes whether or not the 8(a) program's industrial base is expanding and if the program is being abused by private industry. Further analysis of randomly selected contracts is conducted to analyze if the contracts were awarded to certified 8(a) contractors and identify if the program is being utilized as intended.

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## LIST OF ACRONYMS AND ABBREVIATIONS

BD	Business Development
CFR	Code of Federal Regulations
D&B	Dun & Bradstreet Number
DAWIA	Defense Acquisition Workforce Improvement Act
DLA	Defense Logistics Agency
DOD	Department of Defense
DSBS	Dynamic Small Business Search
DUNS	Data Universal Numbering System
ECPC	Economic Classification Policy Committee
FAR	Federal Acquisition Regulation
FFATA	Federal Funding Accountability and Transparency Act
FPDS-NG	Federal Procurement Data System – Next Generation
FY	Fiscal Year
GAO	Government Accountability Office
GPE	Government Point of Entry
HUBZone	Historically Underutilized Business Zone
IG	Inspector General
IRS	Internal Revenue Service
J&A	Justification and Approval
KO	Contracting Officer
KS	Contract Specialist
NAICS	North American Industry Classification System
NDAA	National Defense Authorization Act
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PTAC	Procurement Technical Assistance Center
SAM	System for Award Management
SBA	Small Business Administration
SOP	Standard Operating Procedures

TBW	Total Barrier Works
UNTI	United Native Technologies, Inc.
U.S.	United States
U.S.C.	United States Code
USAID	United States Agency for International Development



## **ACKNOWLEDGMENTS**

I would like to acknowledge my advisors, Brooke Robison and CDR Richard Nalwasky, and Academic Associates Corey Yoder and CDR Richard Nalwasky for their efforts in preparing me for this project and for their continued research in the field of acquisition. A special thanks to my friends and family for their infinite support and patience throughout my Naval Postgraduate School career.

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## I. INTRODUCTION

The purpose of this joint applied project is to conduct research relevant to the Small Business Administration (SBA) 8(a) Business Development (BD) program contracts awarded by the U.S. government. The intent of the 8(a) BD program is to promote the use of socially and economically disadvantaged businesses through federal contracting opportunities in order to develop these businesses. As a result of this project, the U.S. government will gain perspective on the utilization and effectiveness of the 8(a) BD program. The research includes analysis of data publicly accessible on USAspending.gov, SBA profiles available from the SBA Dynamic Small Business Search (DSBS) database, and Government Accountability Office (GAO), Inspector General (IG), and U.S Attorney's Office reports.

This research provides an analysis of the total number and dollar amounts obligated of contracts awarded under the 8(a) program by the Department of Defense (DOD) in the United States from fiscal years (FY) 2008 through 2014 in order to analyze the industrial base of 8(a) certified contractors. Further analysis is conducted of randomly selected contracts awarded under the 8(a) program to firms located in the state of California during FY 2014. GAO and IG official reports suggest that the 8(a) program lacks management oversight and is susceptible to fraud, waste, and abuse. The randomly selected firms are analyzed to confirm whether or not they were eligible for contracts under the 8(a) program at the time of contract award. The resulting data is reported and potential recommendations are based on data collected.

This project's data analysis helps determine if there has been any improvement in the 8(a) sole-source contract awards since the 2010 release of the U.S GAO report number GAO-10-425: *8(a) Program—Fourteen Ineligible Firms Received \$325 Million in Sole-Source and Set-Aside Contracts*.

## **A. SCOPE AND LIMITATIONS**

This project focuses on 8(a) sole-source contracts within the DOD. The collected data pertains to 8(a) sole-source contracts awarded by DOD entities located in the United States, specifically the state of California, during the range of fiscal years 2008 through 2014 to analyze the industrial base of 8(a) certified contractors. The author will also review data from 8(a) sole-source contracts awarded by DOD entities located in the state of California in FY 2014 to verify if the contracts were awarded properly. The assessment will include a review of randomly selected contract awardees and their 8(a) certification status at the time of FY 2014 contract award(s) by reviewing each of the SBA profiles from the DSBS database to verify eligibility at the time of contract award. The author will also research GAO, IG, and U.S. Attorney's Office official reports to analyze whether or not the 8(a) program lacks management oversight and is susceptible to fraud, waste, and abuse.

The author has identified that the data collected from USAspending.gov is limited since the Federal Funding Accountability and Transparency Act (FFATA) was only signed into law in 2006. The FFATA required that federal contracts of more than \$3,000 and grant, loan, and other financial assistance awards of more than \$25,000 be displayed on USAspending.gov in order for the American public to have access to information on how their tax dollars are being spent (Federal Funding Accountability and Transparency Act, 2006). The initial site went live in 2007. As a result, only data from FY 2008 and on is searchable using the advanced search function. In addition, the April 2015 USAspending.gov website update has caused the systems data download function to experience intermittent technical difficulties.

Proficiency in awarding 8(a) sole-source contracts and reporting to the Federal Procurement Data System-Next Generation (FPDS-NG) properly is developed based on experience and completion of required federal regulatory and contract reporting courses provided through the Defense Acquisition Workforce Improvement Act (DAWIA) certification process. The contracting community has a wide range of skills levels, therefore, it is possible that government personnel may have awarded 8(a) sole-source contracts without authority, or reported the information pertaining to the contract

incorrectly in the FPDS-NG, or both. Therefore, the results obtained from USAspending.gov are strictly dependent on the skill level of each contract specialist (KS) or contracting officer (KO) reporting the contract details within the DOD contracting community.

## **B. RESEARCH QUESTIONS**

This project addresses the following research questions:

1. Does the data pertaining to contracts awarded by DOD entities as 8(a) contracts show a growth in the 8(a) program industrial base?
2. Were the 8(a) sole-source contract awardees eligible for the contract at the time of award?
3. Are there management oversight problems in the 8(a) program that can lead to fraud, waste, and abuse?

## **C. PROJECT ORGANIZATION**

Chapter II provides background information regarding 8(a) sole-source contracts awarded by the DOD. The author has identified key GAO, IG, and U.S. Attorney's Office reports and has provided summary information from these reports and identified their significance.

Chapter III identifies the methodology used for collection of data. This chapter outlines the processes used to obtain applicable data in regards to 8(a) sole-source contracts and presents the data to be analyzed.

Chapter IV presents the research results and analysis of the data outlined in Chapter III.

Chapter V summarizes the findings and presents a list of recommendations with justifications.

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## **II. LITERATURE REVIEW**

This chapter provides an overview of the literature and studies reviewed addressing issues with 8(a) sole-source contracts. The author has reviewed the SBA 8(a) program requirements, GAO reports, IG reports, and Department of Justice U.S. Attorney's Office reports of 8(a) sole-source contract shortcomings. This review provides a foundation of the eligibility requirements to qualify for the 8(a) program, challenges facing the program, and reports of businesses indicted and/or prosecuted for abuse of the SBA 8(a) program. This chapter also provides an overview of the required expansion of the 8(a) industrial base and challenges that may lead to indicators of fraud, waste, and abuse.

### **A. SECTION I: SUMMARY OF THE SBA 8(a) PROGRAM**

The 8(a) program name is taken from Section 8(a) of the Small Business Act of 1953, authorized by 15 United States Code (U.S.C.) 637. The Act, as amended through Public Law authorized by Congress, created the 8(a) program so the U.S. SBA could help “small companies owned and operated by socially and economically disadvantaged persons develop their businesses” (U.S. SBA, n.d.).

According to the official U.S. Government SBA website, the following is a summary of the 8(a) BD program authorized by the Small Business Act:

#### **(1) What is the 8(a) Business Development Program?**

The 8(a) Business Development Program is a business assistance program for small disadvantaged businesses (U.S. SBA, n.d.). Individuals who are socially and economically disadvantaged, as well as, own and control 51% of a business are eligible to receive the assistance that the 8(a) program offers (U.S. SBA, n.d.).

In order to help entrepreneurs who own a socially and economically disadvantaged business gain a foothold in the American economy, the 8(a) program was created to help these individuals gain traction in the world or government contracting (U.S SBA, n.d.).

The program has a duration of nine years, which is split into two phases: a four-year developmental stage and a five-year transition stage (U.S. SBA, n.d.).

(2) **Eligibility Requirements**

The 8(a) program is available to the following socially disadvantaged individuals:

- Black Americans
- Hispanic Americans
- Native Americans
- Asian Pacific Americans
- Subcontinent Asian Americans
- Individuals who have been subject to racial, ethnic, or cultural bias because of their identities as members of groups without regard for their individual qualities.
- Others, who may not be members of these groups, can be considered for the 8(a) program if they are able to provide substantial evidence and documentation that they have been subjected to chronic racial prejudice, cultural bias, or similar circumstances beyond their control. (Kuntz, 2010, p. 5)

In addition to qualifying as socially disadvantaged, individuals must also be determined as economically disadvantaged at the time of application and after certification into the 8(a) program, as defined by the following SBA regulations:

- At the time of application, the individual's personal net worth must be less than \$250,000, excluding business and personal assets.
- Upon certification into the program, the individual's adjusted net worth must not exceed \$750,000.
- In addition, the SBA may set additional standards pertaining to income and total assets that could potentially determine that an individual is no longer considered economically disadvantaged. (Kuntz, 2010)

If the individual has met the criteria of being socially and economically disadvantaged, the SBA must determine that the applicant is of good character and a citizen of the United States (Kutz, 2010).



### (3) **Benefits of the Program**

Individuals who have been certified into the 8(a) program are able to receive sole-source contracts up to a ceiling of \$6.5 million for manufacturing, and \$4 million for goods and services (U.S. SBA, n.d.). The Federal Acquisition Regulations (FAR) subpart 2.101(b)(2) defines a sole-source contract as “a contract for the purchase of supplies or services that is entered into or proposed to be entered into by an agency after soliciting and negotiating with only one source.” FAR subpart 6.302-5(b)(4) allows agencies to use the authority authorized by 15 U.S.C. § 637 to award sole-source contracts under the 8(a) program. While the SBA helps 8(a) firms obtain sole-source contracts, it also builds their competitive and institutional know-how, and encourages them to participate in competitive acquisitions (U.S. SBA, n.d.).

8(a) firms are also able to propose on contracts through the formulation of teams and joint ventures (U.S. SBA, n.d.). This enhances the ability of 8(a) firms to perform larger contracts and overcome the effects of contract bundling, which FAR 2.201 defines as “consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract”. Since contract bundling combines two or more contracts into one contract, small 8(a) firms, as well as, new 8(a) firms may not have the assets and/or expertise to bid for large contract opportunities that have been bundled. In addition, there is a Mentor-Protégé program to allow starting 8(a) companies to become more knowledgeable by working closely with more experienced businesses in accordance with the SBA regulations under 13 CFR 124.520 (U.S. SBA, n.d.). According to the U.S. SBA, the Mentor-Protégé program is designed so that participants in the 8(a) program can receive various types of business development assistance from successful firms that have completed the 8(a) program. The ultimate goal of the 8(a) Mentor-Protégé program is to strengthen the 8(a) firms’ ability to successfully compete and contribute to the vigor of the U.S. economy (U.S. SBA, n.d.)

#### (4) **Requirements and Goals of the 8(a) Business Development Program**

The first step to identify if a firm qualifies for the 8(a) program is to determine if the firm is a small business according to the size standards set by the SBA. The SBA uses the North American Industry Classification System (NAICS) as the basis for its size standards (U.S. SBA, n.d.). The Office of Management and Budget (OMB) created the NAICS and implemented it in 1997 (U.S. Census Bureau, 2014). According to the U.S. Census Bureau (2014), it was “developed jointly by the U.S. Economic Classification Policy Committee (ECPC), Statistics Canada, and Mexico’s Instituto Nacional de Estadística y Geografía” in order to allow North American countries to adequately compare business statistics. The NAICS is a system of six-digit numerical codes that represent different industries and economic sectors in order to classify business activities (U.S. Census Bureau, 2014). The economic Sector represents the first two digits, the Subsector represents the third digit, the Industry Group is represented by the fourth, the Industry the fifth digit, and the sixth digit is the U.S. Industry (U.S. SBA, n.d.). The SBA then sets the small business size standards for every NAICS code to determine if firms are qualified to be considered a small business under the primary NAICS code the business operates under.

The SBA has district offices that are in place to perform systemic evaluations to measure and monitor the participants’ progress to ensure they are following SBA requirements and are on the right path to accomplish their goals (U.S SBA, n.d.). The SBA also allows 8(a) participants to benefit from specialized business training, counseling, marketing assistance, and high-level executive development provided by the SBA and its resource partners (U.S. SBA, n.d.). In addition, the SBA states that 8(a) firms can also be eligible for assistance in obtaining access to:

- Surplus government property
- Supplies
- SBA-guaranteed loans
- Bonding assistance (U.S. SBA, n.d.)

The goal of the 8(a) program is to graduate firms that can prosper in private industry competitive markets (U.S SBA, n.d.). To achieve this goal, the SBA has set

requirements to help in the transition from non-competitive government contracting to competitive commercial contracting. A significant goal of the 8(a) program is to sustain a balance between the amount of business a firm receives from government and commercial entities. The 8(a) program participants can only receive up to \$100 million or five times the value of its primary NAICS code (U.S SBA, n.d.). This requirement is set so firms don't become completely reliant on government contracts, which could result in unsuccessful performance in the commercial marketplace once they have graduated from the 8(a) program.

According to C.F.R. § 124.302, the SBA may graduate a firm from the 8(a) program once it has completed its nine year term, or it can graduate early where the SBA determines that:

- The concern has successfully completed the 8(a) BD program by substantially achieving the targets, objectives, and goals set forth in its business plan, and has demonstrated the ability to compete in the marketplace without assistance under the 8(a) BD program; or
- One or more of the disadvantaged owners upon whom the Participant's eligibility is based are no longer economically disadvantaged (8(a) Business Development/Small Disadvantaged Business Status Determinations. (2012, pp. 449–450)

In order to determine if an 8(a) program participant has achieved the targets, objectives, and goals set forth by its business plan, the SBA takes into consideration the following factors:

- Degree of sustained profitability;
- Sales trends, including improved ratio of non-8(a) sales to 8(a) sales since program entry;
- Business net worth, financial ratios, working capital, capitalization, and access to credit and capital;
- Current ability to obtain bonding;
- A comparison of the Participant's business and financial profiles with profiles of non-8(a) BD businesses having the same primary four-digit SIC code as the Participant;
- Strength of management experience, capability, and expertise; and
- Ability to operate successfully without 8(a) contracts (8(a) Business Development/Small Disadvantaged Business Status Determinations. (2012, p. 450)

In addition, the SBA can graduate a firm early that has exceeded the size standard of its primary NAICS code for three consecutive years. The only exception is if the firm has made multiple attempts to move into a secondary NAICS code and has updated its business plan to show that it will change its primary NAICS code to the secondary NAICS code identified in its business plan (U.S. SBA, n.d.).

**B. SECTION II: EXPANSION OF THE INDUSTRIAL BASE**

On January 7, 2011, Section 891, Expansion of the Industrial Base, was added to 10 U.S.C. § 2501 of the National Defense Authorization Act of 2010. Section 891 directs the Secretary of Defense to establish a program to increase the industrial base through outreach to non-traditional suppliers and through more effective use of Procurement Technical Assistance Centers (PTACs). According to the SBA:

PTACs provide local, in-person counseling and training services for small business owners. They are designed to provide technical assistance to businesses that want to sell products and services to federal, state, and/or local governments. PTAC services are available either free of charge, or at a nominal cost. PTACs are part of the Procurement Technical Assistance Program, which is administered by the Defense Logistics Agency (DLA). (U.S. SBA, n.d.)

Table 1 shows the provisions of Section 891 of the NDAA of 2010 as they pertain to the expansion of the industrial base.

Table 1. Section 891 of NDAA of 2010 (after NDAA, 2010)

<b>Section 891 of the NDAA of 2010</b>	
<b>Program to Expand Industrial Base Required</b>	The Secretary of Defense shall establish a program to expand the industrial base of the Department of Defense to increase the Department’s access to innovation and the benefits of competition.
<b>Identifying and Communicating with Firms that are not Traditional Suppliers</b>	The program established under subsection (a) shall use tools and resources available within the Federal Government and available from the private sector to provide a capability for identifying and communicating with firms that are not traditional suppliers, including commercial firms and firms of all business sizes, that are engaged in markets of importance to the Department of Defense in which such firms can make a significant contribution.
<b>Outreach to Local Firms near Defense Installations</b>	The program established under subsection (a) shall include outreach, using procurement technical assistance centers, to firms of all business sizes in the vicinity of Department of Defense installations regarding opportunities to obtain contracts and subcontracts to perform work at such installations.
<b>Industrial Base Review</b>	The program established under subsection (a) shall include a continuous effort to review the industrial base supporting the Department of Defense, including the identification of markets of importance to the Department of Defense in which firms that are not traditional suppliers can make a significant contribution.
<b>Firms that are not</b>	For purposes of this section, a firm is not a traditional

<b>Traditional Suppliers</b>	supplier of the Department of Defense if it does not currently have contracts and subcontracts to perform work for the Department of Defense with a total combined value in excess of \$500,000.
<b>Program Technical Assistance Center</b>	In this section, the term procurement technical assistance center means a center operating under a cooperative agreement with the Defense Logistics Agency to provide procurement technical assistance pursuant to the authority provided in chapter 142 of title 10, United States Code.

Section 891 of 10 U.S.C. § 2501 of the NDAA of 2010 directs the DOD, agencies, and KO's to use the tools of outreach and buying command self-analysis in regard to small business non-traditional suppliers. The PTACs are specifically directed to serve as tools to increase the industrial base (NDAA, 2010).

**C. SECTION III: MANAGEMENT AND PERFORMANCE CHALLENGES FACING THE SBA 8(a) PROGRAM**

On April 10, 2013, the Inspector General (IG) overseeing the U.S. SBA, Peggy E. Gustafson, made a statement before the Committee on Appropriations, Subcommittee on Financial Services, and the General Government U.S. House of Representatives to outline the management and performance challenges facing the SBA (Gustafson, 2012). In October 2010, in accordance with the Reports Consolidation Act of 2000, the Office of the Inspector General (OIG) released Report No. 13-02, *Report on the Most Serious Management and Performance Challenges Facing the Small Business Administration in FY 2013*. The OIG Report No. 13-02 was based on other applicable official reports, such as GAO and other OIG reports, and the OIG's knowledge of the SBA. The report provided an assessment of Agency activities that posed significant risks in the areas of fraud, waste, error, mismanagement, or inefficiencies (Gustafson, 2012).

In the U.S. SBA IG Report No. 13-02, challenge 6 stated that the 8(a) program requires modification in order for small businesses to receive development assistance, the

economic disadvantage standards are justified, and the SBA provides oversight of the 8(a) program to ensure firms are following regulations when competing and executing contracts. IG Peggy E. Gustafson stated:

The SBA's 8(a) Business Development (BD) program was created to assist eligible small disadvantaged business concerns compete in the American economy through business development. Previously, the Agency did not place adequate emphasis on business development to enhance the ability of 8(a) firms to compete, and did not adequately ensure that only 8(a) firms with economically disadvantaged owners in need of business development remained in the program. Companies that were "business successes" were allowed to remain in the program and continue to receive 8(a) contracts, causing fewer companies to receive most of the 8(a) contract dollars and many to receive none. (Gustafson, 2012, p. 6)

Table 2 shows the three areas of concern that were outlined in 2003 and solutions still not implemented at the end of FY 2012. It is of particular concern that the program has not fully implemented Regulations and standard operating procedures (SOP) to ensure participants in the 8(a) program are graduated once they have met the criteria for graduation from the program. It is also concerning that no progress had been made to "establish objective and reasonable criteria that effectively measures economic disadvantage and implement the new criteria" (Gustafson, 2012). This represents the lack of proper oversight of the 8(a) program which can potentially lead to fraud, waste, and abuse of the program.

Table 2. Challenge History (from Gustafson, 2012)

Challenge History Fiscal Year (FY) Issued: 2003	Actions Accomplished (Green Status) during Past 4 FYs			
	08-1	09-1	10-0	11-0
Recommended Actions for FY 2013				Status at end of FY 2012
1. Develop and implement a plan, including SOP provisions, which ensures that the 8(a) BD program identifies and addresses the business development needs of program participants on an individualized basis.				Orange
2. Develop and implement Regulations and SOP provisions to ensure that participants are graduated once they reach the levels defined as business success.				Yellow
3. Establish objective and reasonable criteria that effectively measures “economic disadvantage” and implement the new criteria.				Red

**Green**-Implemented **Yellow**-Substantial Progress **Orange**-Limited Progress **Red**-No Progress



**D. SECTION IV: SUMMARY OF INSPECTOR GENERAL, GOVERNMENT ACCOUNTABILITY OFFICE, AND U.S. ATTORNEY'S OFFICE REPORTS**

**(1) "U.S. SBA Office of Inspector General: Agencies Are Overstating Small Disadvantaged Business and HUBZone Goaling Credit by Including Contracts Performed by Ineligible Firms (Report No. 14-18)"**

The OIG report number 14-18 identified over \$400 million dollars in contracts that were awarded to firms under the 8(a) and HUBZone programs in FY 2013; however, these firms were ineligible to receive contracts under these programs (Westbrooks, 2014). FAR subpart 2.1 defines a HUBZone business as a "historically underutilized business zone that is an area located within one or more qualified census tracts, qualified non-metropolitan counties, or lands within the external boundaries of an Indian reservation, qualified base closure areas, or re-designated areas," as defined in 13 CFR 126.103. According to report number 14-18, government agencies appeared to have restricted solicitations for firms in the 8(a) and HUBZone programs, but awarded to firms not eligible for the program and reported inaccurate information in the FPDS-NG.

The report also identified that the SBA DSBS and System for Award Management (SAM) information pertaining to certification status is not consistently transmitted (Westbrooks, 2014). The lack of certification information being consistently transmitted can affect small businesses as they may not be visible in the SBA DSBS, or they are still categorized as eligible for 8(a) awards when they are not, either of which affects small business procurement goals of federal agencies.

Furthermore, the report identified over \$1.5 billion dollars in contracts that were being performed by firms that were in the programs when the contract was awarded, but no longer in the programs in FY 2013 (Westbrooks, 2014). SBA regulations do allow agencies to claim 8(a) and HUBZone credit for firms performing work even after they have left the program. However, Westbrooks concludes that the information presented by

the SBA to Congress and the public is significantly inaccurate by including contract performance by former participants of the programs.

(2) **“U.S. GAO: Further Actions Needed to Improve Oversight of Pass-through Contracts (GAO-15-200)”**

Congress required the DOD, the Department of State (State), and the United States Agency for International Development (USAID) to issue guidance and regulations as necessary to ensure that contracting officers complete additional analyses prior to awarding pass-through contracts -- contracts meeting certain criteria and in which prime contractors plan to subcontract 70 percent or more of the total cost of work to be performed -- by July 2013. (DiNapoli, 2014, p. 2)

Pass-through contracts allow large businesses and other unqualified businesses to obtain profit through the 8(a) program which is designed for small disadvantaged businesses. Figure 1 shows the requirements of section 802 of the National Defense Authorization Act (NDAA) for FY 2013.



Figure 1. Section 802 of the NDAA (from DiNapoli, 2014)

The GAO report found that the DOD, State, and USAID have varied in their implementation of Section 802 (DiNapoli, 2014). According to DiNapoli, in June 2013 the USAID restated the Section 802 requirements in a policy directive and provided contracting officers updated checklists to be used in accordance with the policy directive; in July 2014 the State restated the Section 802 requirements through a procurement bulletin, but has taken no further actions; neither the USAID nor the State have provided

additional information to contracting officers to help implement the new requirements. On the other hand, the DOD was not going to take any action until the March 2015 revisions to the FAR were complete (DiNapoli, 2014). DiNapoli's report concluded, as of November 2014, that none of the agencies had updated their management review processes to reflect Section 802 requirements to deter pass-through contracts.

(3) **“U.S. GAO: 8(a) Program—Fourteen Ineligible Firms Received \$325 Million in Sole-Source and Set-Aside Contracts (GAO-10-425)”**

The GAO report “identified \$325 million in set-aside and sole-source contracts awarded to firms not eligible for the 8(a) program” (Kutz, 2010). Kutz reported that fraudulent schemes were used by presidents of 8(a) firms to obtain the contracts. According to Kutz, many of the 8(a) firm presidents misrepresented their income and assets in order to remain in the 8(a) program, or made false statements in order to qualify or retain their eligibility certifications. For example, presidents of firms that were not considered socially or economically disadvantaged either misrepresented their ethnicity, or used pass-through contracts to take advantage of the 8(a) program (Kutz, 2010). Kutz found that many of the firms investigated had graduated from the 8(a) program, but used monetary incentives to obtain pass-through contracts from eligible 8(a) firms. Kutz's report concluded that the SBA failed to either detect and/or take any action on identified false statements and misrepresentations made by firm presidents.

(4) **“Department of Justice U.S. Attorney's Office: Two Business Owners Indicted in Alleged Wire Fraud Conspiracy to Fraudulently Obtain More Than \$2.8 Million in Government Contracts Under The SBA's 8(A) Program (U.S. Attorney's Office, 2014)”**

In 2005, United Native Technologies, Inc. (UNTI) was certified by the SBA to be eligible for 8(a) contracts as a socially disadvantaged owned business (U.S Attorney's Office, 2014). UNTI then used its 8(a) status to partner with Total Barrier Works (TBW) to fraudulently obtain more than \$2.8 million dollars in contracts set-aside for 8(a) firms (U.S. Attorney's Office, 2014).

The indictment alleges that the owners of UNTI and TBW agreed to use UNTI to bid on 8(a) set-aside contracts, but UNTI had no intention of performing any of the work (U.S. Attorney's Office, 2014). According to the U.S. Attorney's Office report, the employees of TBW were performing all the work under the direction TBW's owner. TBW was not eligible for 8(a) contracts, but used UNTI's 8(a) status to obtain work outside of full and open competition requirements. TBW was able incentivize UNTI into the agreement by offering them approximately 4.5% of the contract value for any contract that UNTI was awarded and TBW performed the work (U.S. Attorney's Office, 2014). As a result, the indictment alleges that between January 2010 and November 2013, UNTI was fraudulently awarded more than \$2.8 million in 8(a) set-aside contracts in which TBW employees actually performed all the work (U.S. Attorney's Office, 2014).

The owners of UNTI and TBW each face a maximum sentence of 30 years in prison and a \$250,000 fine for conspiracy to commit wire fraud (U.S. Attorney's Office, 2014). No sentence has been determined for either individual at the time of this project.

(5) **Department of Justice U.S. Attorney's Office: Edgewater, Maryland Man Pleads Guilty to Defrauding SBA Disadvantaged Small Business Program and IRS**

In the interest of anonymity, the individuals will be referred to as Individual A and Individual B.

In March of 1993, Capital Contractors, who primarily provided construction services to the U.S. government, was certified by the SBA as an 8(a) contractor (U.S. Attorney's Office, 2014). At the time of certification to participate in the 8(a) program, Individual A was not the majority owner of Capital Contractors. The U.S. Attorney's Office reported that prior to Capital Contractors graduation from the 8(a) program in 2002 Individual A was sold the majority owner's interest in the company. As a result, Individual A became the sole owner of Capital Contractors and managed all day-to-day operations, despite the fact that Individual A "did not qualify as a socially and economically disadvantaged individual" (U.S. Attorney's Office, 2014).

In August 1999, a few years prior to Capital Contractors expected graduation from the 8(a) program, Individual A made arrangements with Individual B, a former project manager and roofer of Capital Contractors, to incorporate Platinum One Contracting (U.S. Attorney's Office, 2014). The report states that individual B was an African-American who reported the he was the president and owned 60% of the company, while the remaining 40% was owned by the vice president, who happened to be Individual A's son. Individual B's representation of his ownership of the company qualified Platinum One Contracting to be certified as an 8(a) firm, but, in reality, Individual A had complete control of the company and managed all day-to-day operations and business decisions (U.S. Attorney's Office, 2014).

Individual A admitted that from August 1999 through June 2013 he conspired to defraud the SBA by directing Individual B not to reveal that Individual A controlled Platinum One Contracting when submitting the application for the 8(a) program, had been the previous supervisor of Individual B, owned Capital Contractors, and was the father of the co-owner (U.S. Attorney's Office, 2014). In addition, the report found that from May 2004 through April 2010 Individual A directed Individual B to submit misrepresentations to the SBA in its annual reviews.

[Individual A] caused Platinum to submit annual updates to the SBA Section 8(a) program that contained false information, including that the company was controlled by a socially and economically disadvantaged individual, and that no non-disadvantaged member of Platinum's management received compensation that exceeded that received by [Individual B]. In fact, [Individual A] controlled the company, and Platinum's payments to [Individual A] and other corporate officers far exceeded payments received by [Individual B] for 2004 through 2009. Based on the fraudulent application and annual updates, Platinum One received more than \$52 million in contracts from the federal government under the Section 8(a) program, to which it was not entitled. The total loss to the government resulting from [Individual A's] illegal conduct, regarding the illicit profit he received by defrauding the SBA, and depriving a legitimate Section 8(a) contractor of such profit, is \$6,194,828. (U.S. Attorney's Office, 2014)

Individual A was sentenced to 42 months in prison, followed by three years of supervised release, for conspiring to defraud the U.S. “in connection with schemes to fraudulently seek federal contracts” under the 8(a) program, and to defraud the Internal Revenue Service (IRS) (U.S. Attorney’s Office, 2014). The court ruled that Individual A caused the government to lose \$7,033,844, which he must repay in restitution (U.S. Attorney’s Office, 2014).

## **E. SUMMARY**

This chapter has provided a summary of the 8(a) BD program pertaining to the eligibility requirements, benefits of the program, and SBA requirements and goals for graduating from the program. This chapter also reviewed GAO, IG, and U.S Attorney’s Office reports in relation to fraud, waste, and abuse of the 8(a) program.

### III. DATA

This chapter examines the data and methodology used to answer each of the three research questions. The data and methodology for examining the 8(a) industrial base will be presented in Section A. The data and methodology pertaining to firms' 8(a) certification at the time of award in FY 2014 and potential oversight issues that can potentially result in fraud, waste, and abuse will be presented in Section B.

#### A. 8(A) CONTRACTS AWARDED BY DOD ENTITIES AND THE 8(a) PROGRAM INDUSTRIAL BASE

Figure 2 shows the number of 8(a) contracts awarded by DOD entities in the United States from FY 2008 to FY 2014. The USAspending.gov advanced data search tool had the following filters: Contracts > FY > DOD > 8(a) Firm.

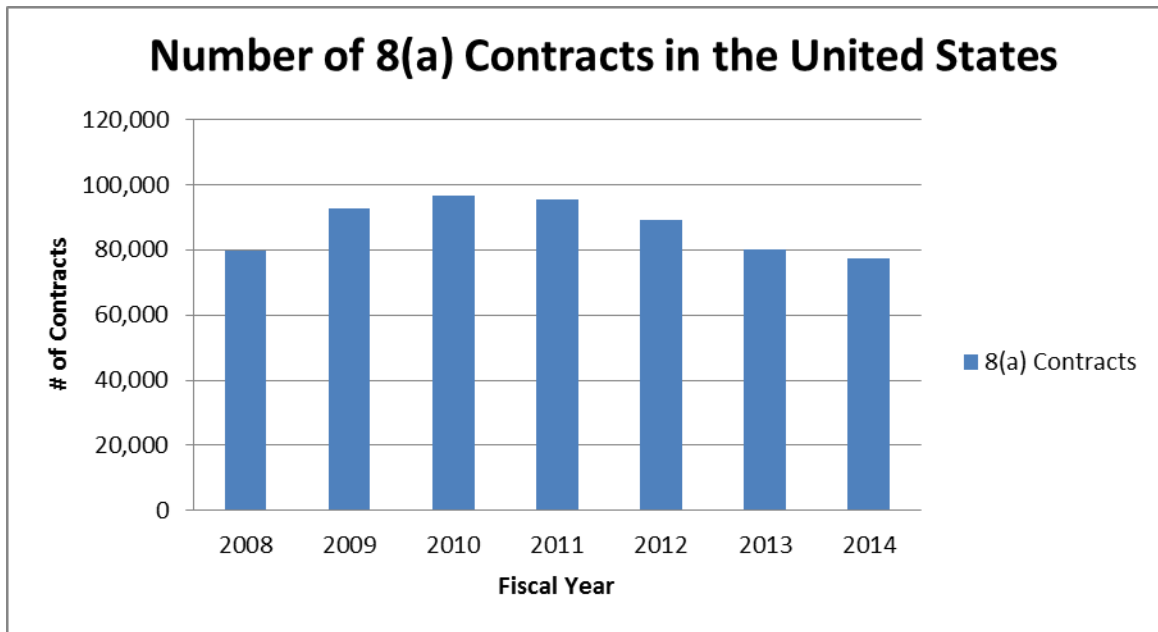


Figure 2. Number of 8(a) Contracts in the United States (after USAspending.gov, 2015)

Figure 3 shows the total dollar amount of 8(a) contracts awarded by DOD entities in the United States from FY 2008 to FY 2014. The USAspending.gov advanced data search tool had the following filters: Contracts > FY > DOD > 8(a) Firm.

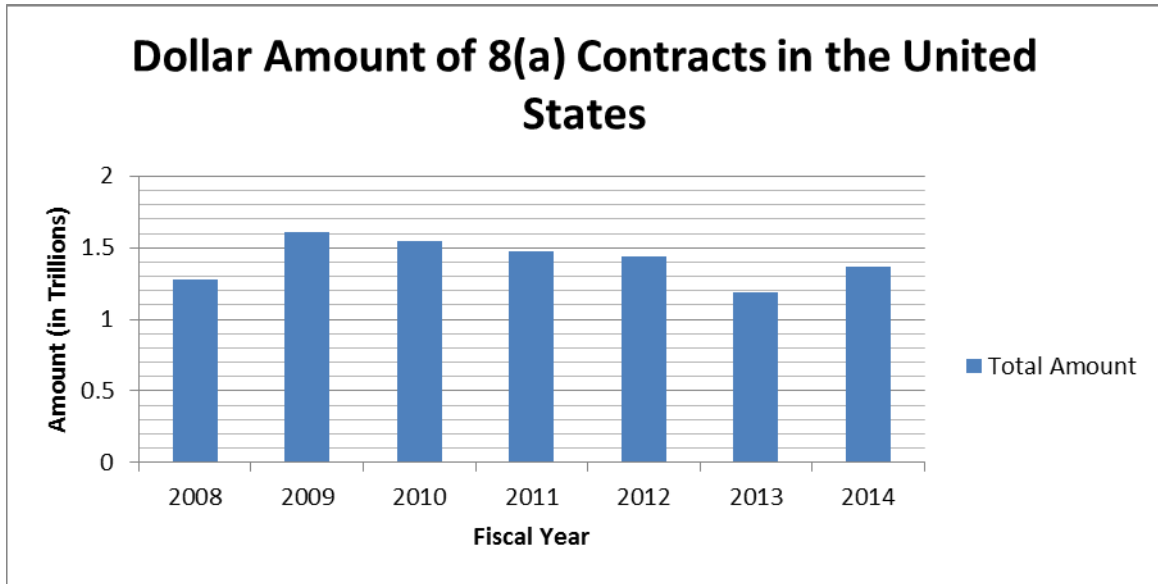


Figure 3. Dollar Amount of 8(a) Contracts in the United States (after USAspending.gov, 2015)



Figure 4 shows the number of 8(a) contracts awarded by DOD entities in the state of California from FY 2008 to FY 2014. The The USAspending.gov advanced data search tool had the following filters: Contracts > FY > California > DOD > 8(a) Firm.

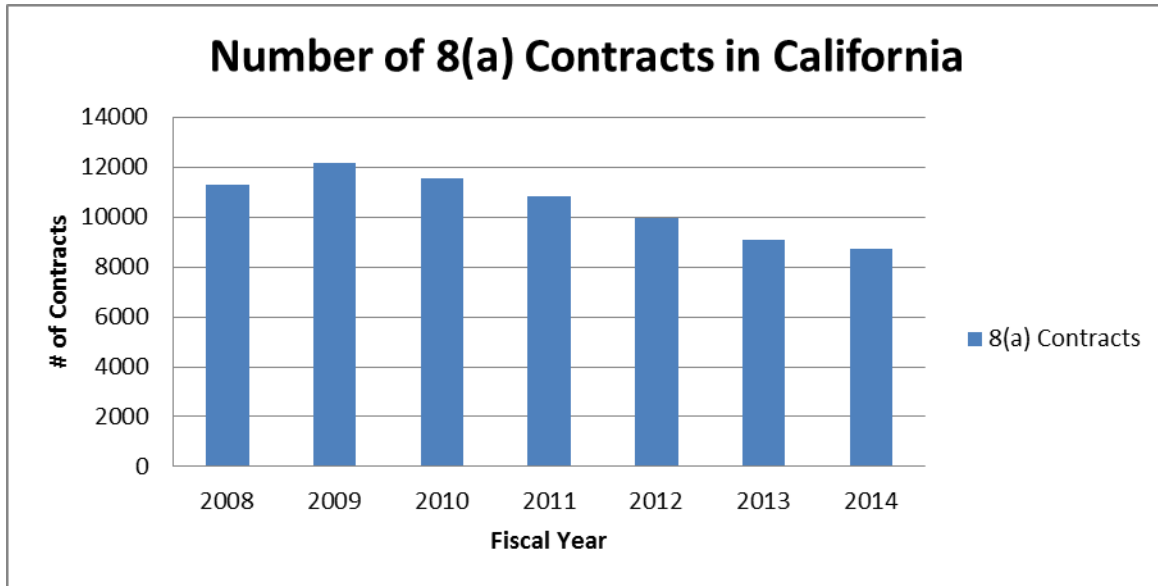


Figure 4. Number of 8(a) Contracts in California (after USAspending.gov, 2015)

Figure 5 shows the total dollar amount of 8(a) contracts awarded by DOD entities in the state of California from FY 2008 to FY 2014. The USAspending.gov advanced data search tool had the following filters: Contracts > FY > California > DOD > 8(a) Firm.

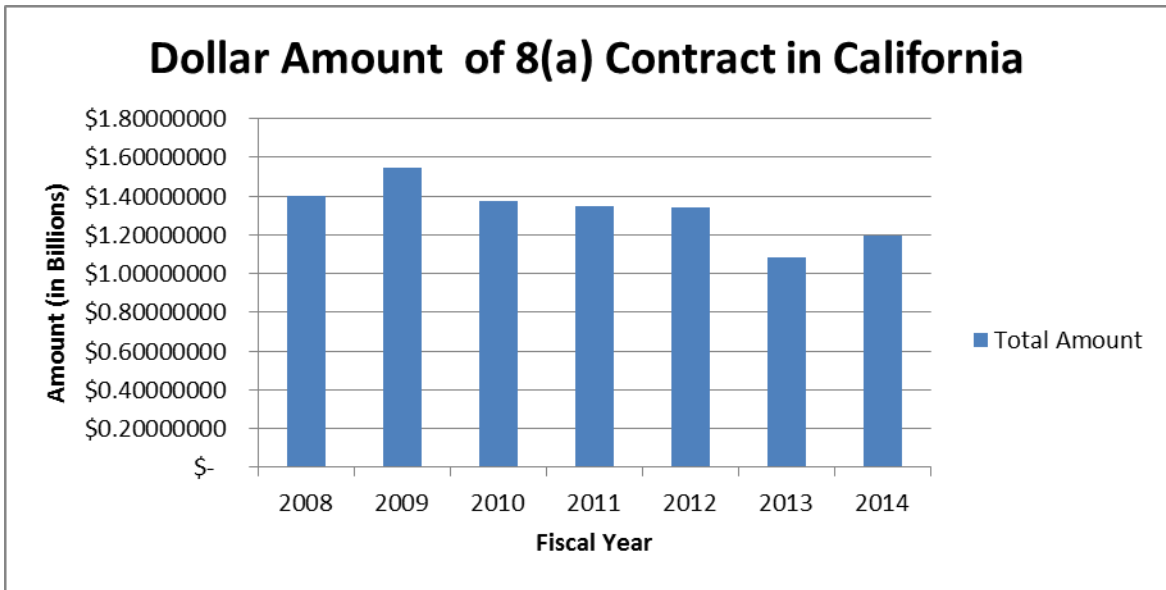


Figure 5. Dollar Amount of 8(a) Contracts in California (after USAspending.gov, 2015)

Figure 6 shows the number of 8(a) firms awarded contracts by DOD entities in the state of California from FY 2008 to FY 2014. The USAspending.gov advanced data search tool had the following filters: Prime Award > Contracts > DOD > FY > California



Figure 6. Number of 8(a) Firms Awarded Contracts in California (after USAspending.gov, 2015)

The results obtained from the data download tool were exported into excel spreadsheets and pivot tables were created for each FY to filter the data down to only 8(a) firms from the full data set obtained from the USAspending.gov data download tool.

**B. DATA PERTAINING TO 8(a) CONTRACTS AWARDED BY DOD ACTIVITIES FROM CALIFORNIA**

Figure 7 shows the percentage of 8(a) contracts awarded by DOD activities from California from FY 2008 to FY 2014. The data was generated by dividing the cumulative total of 8(a) contracts awarded in California from FY 2008 to FY 2014 and the cumulative total of 8(a) contracts awarded in the U.S from FY 2008 to FY 2014.

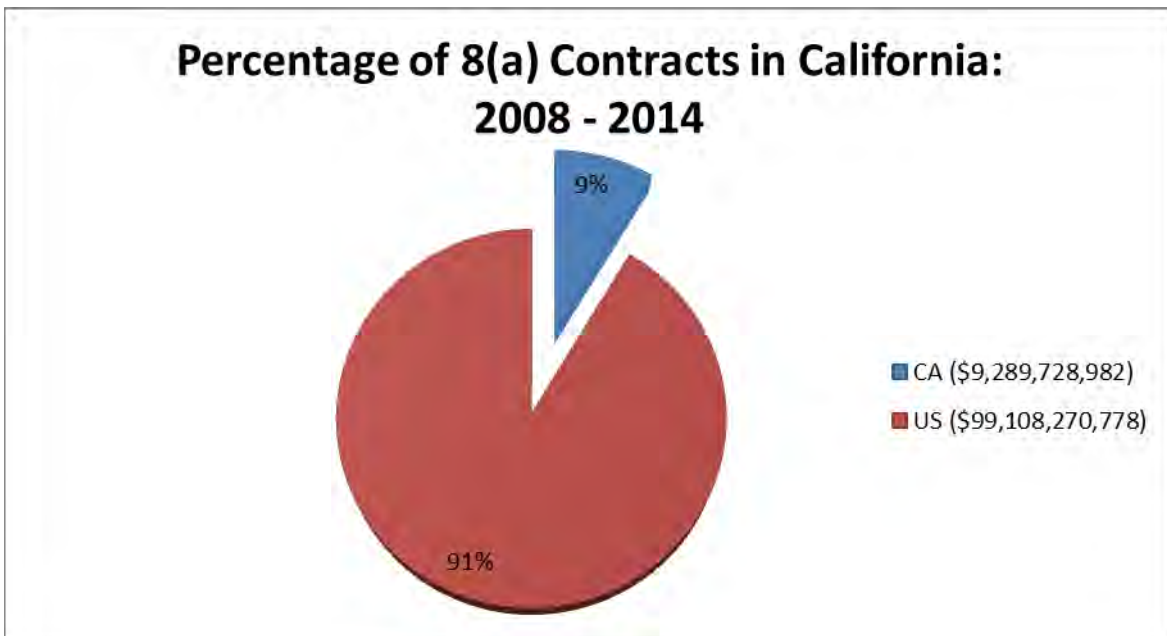


Figure 7. Percentage of 8(a) Contracts in California: 2008–2014 (after USAspending.gov, 2015)

Figure 8 shows the percentage of sole-source 8(a) contracts awarded by DOD activities located in California during FY 2014. The percentages were generated by using the “Not Competed” criteria as the filter for the data obtained from USAspending.gov for all 8(a) contracts awarded by DOD activities in California during FY 2014.

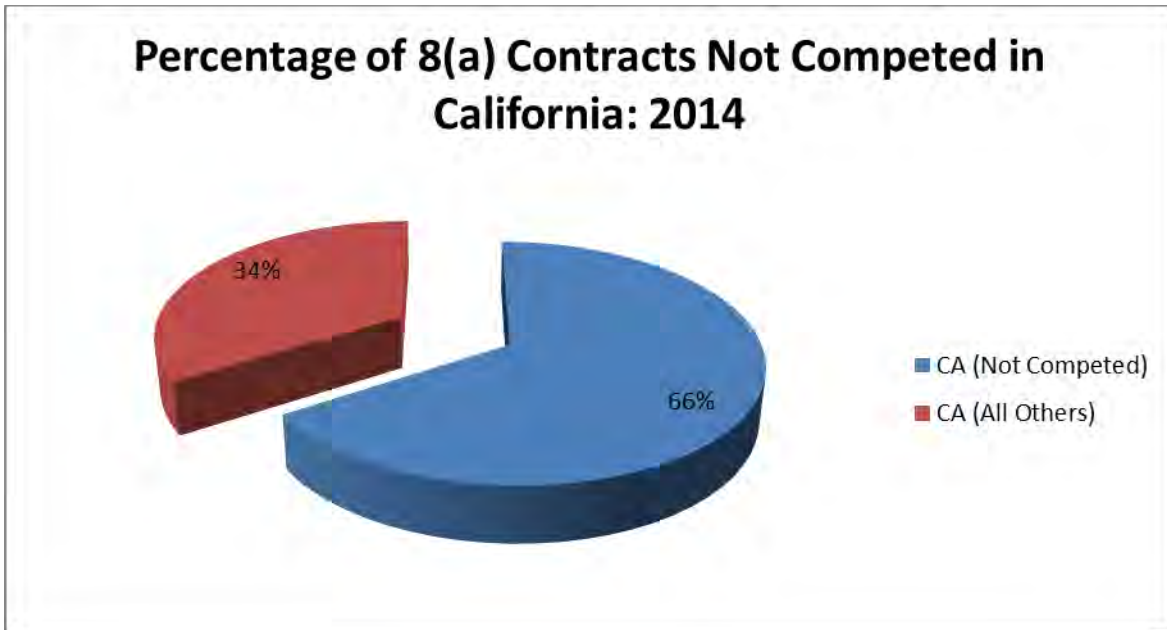


Figure 8. Percentage of 8(a) Contracts Not Completed in California: 2014  
(after USAspending.gov, 2015)

Table 3 shows the authority types and amounts of sole-source 8(a) contracts awarded by DOD activities located in California during FY 2014. The amounts were generated by using the “Not Completed” criteria as the filter for the data obtained from USAspending.gov for all 8(a) contracts awarded by DOD activities in California during FY 2014.

Table 3. 8(a) Sole-Source Authorities (after USAspending.gov, 2015)

Authority Type	Amount Obligated in FY 2014
Unique Source	\$(73,893.26)
Utilities FAR 41.2	\$0.00
Micro Purchase Threshold	\$70,878.39
International Agreement	\$218,383.90
Urgency	\$699,735.46
Follow-On Contract	\$851,520.90
Standardization	\$2,490,812.00
SAP Non-Competition	\$3,014,906.51
Only One Source – Other	\$27,950,608.81
Authorized By Statue	\$667,593,641.60
<b>TOTAL</b>	<b>\$702,816,594.27</b>

Figure 9 shows the percentage of authority types used by DOD activities located in California during FY 2014 to award 8(a) sole-source contracts. The percentages were generated by using the “Not Competed” criteria as the filter for the data obtained from USAspending.gov for all 8(a) contracts awarded by DOD activities in California during FY 2014.

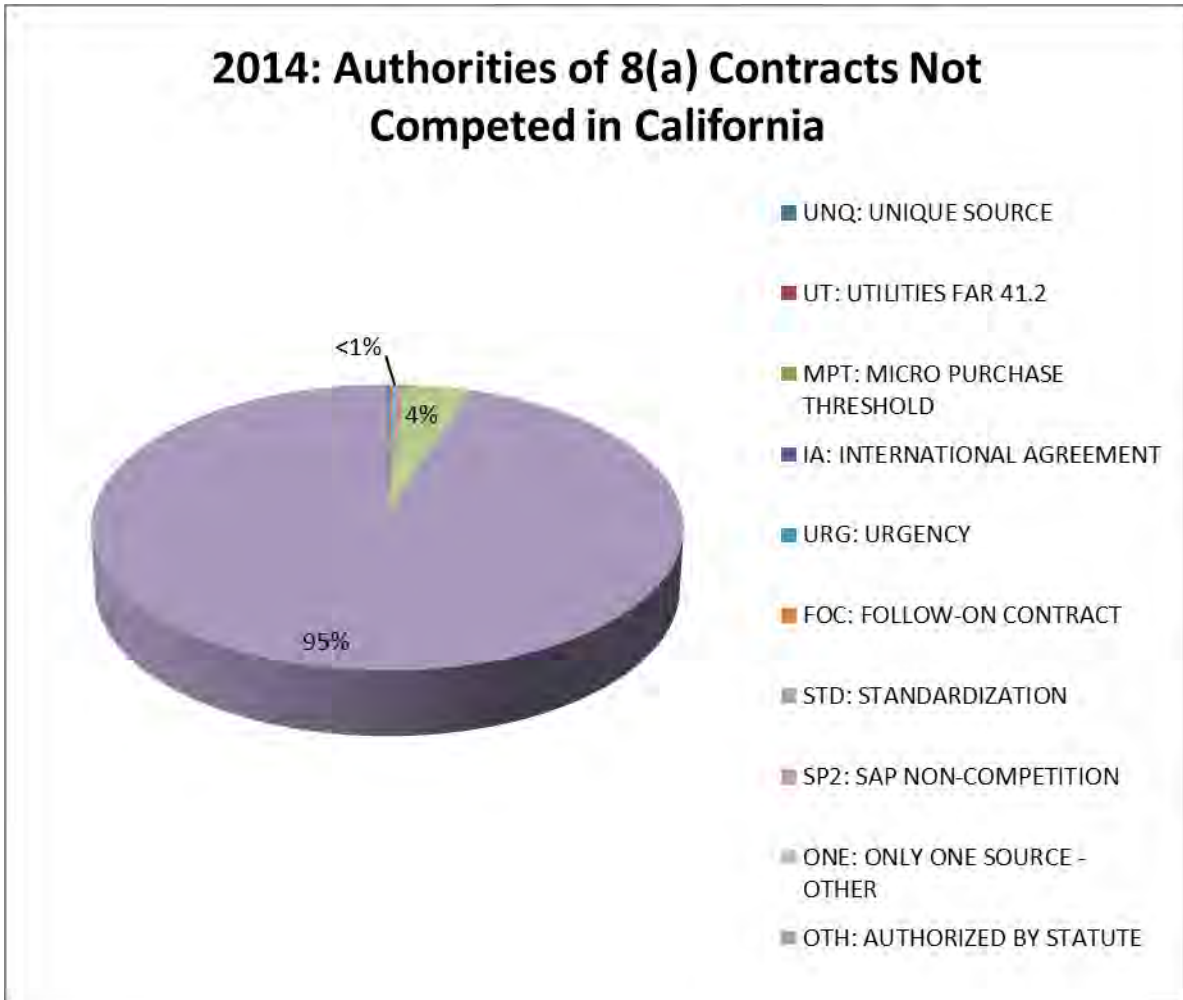


Figure 9. Authorities of 8(a) Contracts Not Competed in California: 2014 (after USAspending.gov, 2015)

Table 3 shows whether or not the entity awarded an 8(a) contract in FY 2014 was eligible for the contract under the 8(a) BD program. The random sample was generated by exporting the USAspending.gov data obtained for all 8(a) contracts awarded by DOD activities in California during FY 2014 to an Excel spreadsheet and creating a pivot table to filter the criteria down to the entity name, FY 2014 dollars obligated, and the Data Universal Numbering System (DUNS) number. The DUNS number is a “nine-digit number assigned by Dun and Bradstreet, Inc. (D&B), to identify unique business entities, which is used as the identification number for Federal contractors”, as defined by FAR 2.201 . Then, each entity was assigned a fixed number to represent the entity name. The Excel random function was then applied to generate a truly random sample. The sample

set is random because Excel generates a “random number” to each entity and uses the assigned fixed number and random number in an algorithm to create a random list of the entities. The top 20 entities on the list after using the random function were used as the sample set. The DUNS number for the 20 entities were then used as the search criteria in the SBA DSBS to obtain the entities SBA records to verify if each were certified as eligible to receive a 8(a) contract in FY 2014.

Table 4. Randomly Selected 8(a) Contracts (after USAspending.gov, 2015)

Assigned Number	Entity Name	FY2014 Dollars Obligated	Random Generated Number	DUNS	8(a) in FY 2014*
168	Cornerstone Solutions, Inc.	\$1,176,904.00	0.8650906	181415022	Yes
493	Rore, Inc.	\$8,787,089.63	0.4065856	142359582	Yes
367	Lita’s Janitorial Service	\$1,802,801.81	0.3085113	147243658	Yes
95	Aztec Contractors, Inc.	\$10,712.00	0.2743244	624243445	Yes
172	CSF Technologies, Inc.	\$403,391.62	0.3721598	128419095	Yes
127	Central Coast CCD, LLC	\$1,347,914,26	0.6903326	173055877	Yes
328	JEL Management, LLC	\$217,200.00	0.3903432	145886813	Yes
497	Saalex Corporation	\$165,384.44	0.1016439	103000456	No
475	RDA Contracting, Inc.	\$577,606.62	0.5427886	614772072	Yes
380	Majestyc Construction, Inc.	\$7,498.00	0.8005016	086422842	No
297	Imagine Media Group, LLC	\$(14,657.15)	0.2427125	616601634	Yes

63	AMC Defense Technologies, Inc.	\$218,383.90	0.7344001	084817977	No
386	McCullough Construction, Inc.	\$2,224,160.73	0.2457851	960456275	Yes
429	Onsite Construction & Engineering, Inc.	\$5,884,387.15	0.2528993	198052305	Yes
4	2 <sup>nd</sup> Nature, LLC	\$87,880.00	0.7169208	186292814	Yes
483	Rivera Consulting Group, Inc.	\$0.00	0.3726559	167876361	Yes
186	DL Reforestation, Inc.	\$505,904.00	0.6341377	133642046	Yes
108	Bratslavsky Consulting Engineers, Inc.	\$(12,886.12)	0.3204739	845228196	No
268	Gutierrez Canales Engineering, P.C.	\$2,095,292.43	0.3360822	132516241	Yes
260	Gradillas Court Reporters, Inc.	\$462,804.26	0.1041131	067459326	Yes

\* See Appendix A. SBA DSBS Records

### C. SUMMARY

This chapter provided the data and methodology used to answer the three research questions. Data was obtained from USAspending.gov and the SBA DSBS generate the data tables and figures. The Excel program was also utilized to generate a random sample for analysis in Chapter IV.



## **IV. ANALYSIS AND FINDINGS**

Chapter III provided the data and methodology needed to answer the research questions. This chapter will examine and discuss that data to provide analysis to draw conclusions and answer the research questions. In order to answer the three research questions, data drawn directly from USAspending.gov were analyzed and compared to data obtained directly from the SBA DSBS and FPDS-NG systems. In addition, data drawn directly from GAO, IG, and U.S. Attorney Office reports were analyzed. This chapter will discuss that data and their implications, draw conclusions, and provide answers to the three research questions.

### **A. INDUSTRIAL BASE GROWTH**

Does the data pertaining to contracts awarded by DOD entities as 8(a) contracts show a growth in the 8(a) program industrial base?

#### **(1) Analysis**

As evidenced in Figure 2 and Figure 3, the USAspending.gov data shows that the total number of contracts and total amount of dollars obligated under the 8(a) BD program have been on the decline in the United States since FY 2010. As shown in Figure 4 and Figure 5, the USAspending.gov data also shows that the total number of contracts and total amount of dollars obligated under the 8(a) BD program in California have been on the decline since FY 2009. In direct correlation to the data for the United States and California, USAspending.gov data in Figure 6 shows the number of 8(a) firms awarded contracts in California has been on a steady decline since FY 2010.

An analysis of the USAspending.gov data in Figure 2 shows that the total number of 8(a) contracts awarded in the United States from FY 2010 to FY 2014 decreased from 96,594 to 77,282, which is an approximate 20 percent decrease in the total number of 8(a) contracts awarded across the United States by DOD activities. Further analysis of the USAspending.gov data in Figure 3 shows that the total amount of dollars obligated under the 8(a) program in the United States from FY 2010 to FY 2014 decreased from

\$15,458,644,194 to \$13,708,576,888, which is an approximate 11 percent decrease in the amount of 8(a) contract dollars obligated across the U.S by DOD activities.

An analysis of the USAspending.gov data in Figure 4 shows that the total number of 8(a) contracts awarded in California from FY 2009 to FY 2014 decreased from 12,173 to 8,735, which is an approximate 28 percent decrease in the total number of 8(a) contracts awarded in California by DOD activities. Further analysis of the USAspending.gov data in Figure 5 shows that the total amount of dollars obligated under the 8(a) program in California from FY 2009 to FY 2014 decreased from \$1,549,130,306 to \$1,196,439,953, which is an approximate 23 percent decrease in the amount of 8(a) contract dollars obligated in California by DOD activities.

The most important data in regards to the industrial base is the amount of 8(a) firms in California that were awarded contracts under the 8(a) BD program. Figure 4 and Figure 5 show that the total number of contracts and total amount of dollars obligated from FY 2009 to FY 2014 declined in both areas, but does not accurately portray the industrial base. An analysis of the USAspending.gov data in Figure 6 shows that the number of firms awarded 8(a) contracts in California from FY 2009 to FY 2014 decreased from 684 to 533, which is an approximate 22 percent decrease in the number of 8(a) firms in the industrial base being awarded 8(a) contracts by DOD activities in California.

## (2) Findings

Based on the analysis of the data it can be determined that the industrial base of 8(a) firms being utilized by DOD activities located in California is on the decline. Although Section 891, added to 10 U.S.C. 2501 of the 2010 NDAA, directed the Secretary of Defense to expand the industrial base through outreach to nontraditional suppliers and through increased, more effective use of PTACs to promote the use of small businesses, it does not appear to have been effective for the industrial base of 8(a) firms in California. The lack of outreach to local firms near DOD installations regarding opportunities to obtain contracts under the 8(a) BD program may be the result of the decline in the 8(a) industrial base, or it can be attributed to the lack of the DOD making a

continuous effort to review the industrial base supporting the DOD. In either case, this statute which directs the DOD, agencies, and KO's to use the tools of outreach and buying command self-analysis in regard to small non-traditional suppliers, it has not been implemented successfully.

## **B. ELIGIBILITY**

Were the 8(a) sole-source contract awardees eligible for the contract at the time of award?

### **(1) Analysis**

As shown in Figure 8, the USAspending.gov data shows that in FY 2014 66 percent of 8(a) contracts awarded by DOD activities in California were not competed. FAR subpart 6.302-5(b)(4) applies the authority for KO's to award sole-source contracts under the 8(a) program, as authorized by 15 U.S.C. 637. However, the USAspending.gov data in Figure 9 shows that of the sole-source authorities used to award 8(a) contracts 95 percent of all 8(a) contracts not competed in FY 2014 reported using statute 15 U.S.C. 637 as the rationale for a sole-source award. Per FAR subpart 6.303-1, agencies are not required to complete a Justification and Approval (J&A) for sole-source or post the J&A to the Government Point of Entry (GPE) for the private and non-profit sectors to challenge the rationale under \$20,000,000.

Due to the relative simplicity to award 8(a) sole-source contacts under \$20 million, an analysis of 20 randomly selected 8(a) contract awardees was performed to verify each firm's eligibility to receive a contract under the 8(a) program at the time of award. Table 4 shows that four of the 20 firms were no longer in the 8(a) program according the SBA DSBS at the time of award in FY 2014. However, further analysis in FPDS-NG verified that each firm was being awarded orders under an Indefinite Delivery Indefinite Quantity (IDIQ) type contract, in which all were awarded during the firms' period of eligibility in the 8(a) program.

Table 5. Firms No Longer in the 8(a) Program (after USAspending.gov, 2015)

Assigned Number	Entity Name	FY2014 Dollars Obligated	Random Generated Number	DUNS	8(a) in FY 2014
497	Saalex Corporation	\$165,384.44	0.1016439	103000456	No
380	Majestyc Construction, Inc.	\$7,498.00	0.8005016	086422842	No
63	AMC Defense Technologies, Inc.	\$218,383.90	0.7344001	084817977	No
108	Bratslavsky Consulting Engineers, Inc.	\$(12,886.12)	0.3204739	845228196	No

(2) **Findings**

The analysis of the 20 randomly selected firms shown in Table 3 concluded that 8(a) contracts awarded by DOD activities in California yielded no results confirming that a firm was awarded a 8(a) contract after their period of eligibility. However, AMC Defense Technologies, Inc.’s SBA DSBS profile did not provide 8(a) certification information (See Appendix B), and therefore, it cannot be determined if the base contract, which allowed for modification N6833513C0399 P00001 in the amount of \$218,383.00, was awarded during AMC Defense Technologies, Inc.’s period of eligibility.

An analysis of the randomly selected firms did not confirm any cases of an 8(a) firm being awarded a contract under the 8(a) program, but official Government reports have verified that ineligible firms have received 8(a) contracts. The U.S. GAO Report Number GAO-10-425 revealed that “fourteen ineligible firms received \$325 million in sole-source and set-aside contracts” under the 8(a) program in FY 2010. Despite the fraudulent schemes identified in the report, no apparent action has been taken to resolve the issue. Three years later, the U.S. SBA IG Report Number 14-18 identified that “over \$400 million in contract actions were awarded to ineligible firms” in FY 2013. In

addition, the U.S. IG Report Number 13-02 showed that little to no progress had been made to implement regulations and SOP's to ensure ineligible firms do not receive 8(a) contracts.

### **C. OVERSIGHT**

Are there management oversight problems in the 8(a) program that can lead to fraud, waste, and abuse?

#### **(1) Analysis**

On April 10, 2013, the Inspector General (IG) over sighting the U.S. SBA, Peggy E. Gustafson, outlined the management and performance challenges facing the SBA. In accordance with the Reports Consolidation Act of 2000, the SBA OIG released Report No. 13-02, *Report on the Most Serious Management and Performance Challenges Facing the Small Business Administration in FY 2013*. The report provided a current assessment of Agency programs and/or activities that “pose significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, or inefficiencies”. The report also stated that the 8(a) program requires modification in order for small businesses to receive development assistance, the economic disadvantage standards are justified, and the SBA provides oversight of the 8(a) program to ensure firms are following regulations when competing and executing contracts. The report also identified the concern that firms considered a “business success” under the 8(a) program was allowed to remain in the program and continue to receive 8(a) contracts.

Section 802 of the NDAA for FY 2013 required the “DOD, State, and USAID to issue guidance and regulations as necessary” to ensure additional analysis by KO's prior to the award of pass-through contracts under the 8(a) program. As of November 2014, the management review process to reflect Section 802 requirements to deter pass-through contracts had not been updated by any of the agencies.

(2) **Findings**

Analysis of IG, GAO, and U.S. Attorney's Office reports show that there are management oversight issues in the 8(a) program that can, and have, lead to fraud, waste, and abuse in the 8(a) program. The oversight issues identified in this section directly relate to issues of the decrease in the 8(a) industrial base, as well as, the hundreds of millions of dollars awarded to ineligible firms under the 8(a) program.

**D. SUMMARY**

This chapter has discussed the findings resulting from the previously presented data and literature with regard to the three research questions. It was found that the 8(a) industrial base had decreased 22 percent from FY 2010 to FY 2014, ineligible firms are receiving 8(a) contracts, and management and oversight issues are present and can be attributed to the negative findings of this research.

## **V. CONCLUSIONS, RECOMMENDATIONS, AND AREAS FOR FURTHER RESEARCH**

This research provides an analysis of the 8(a) BD program contracts awarded by DOD activities in the U.S and California during FY 2010 through FY 2014. The result of this project allows the U.S. government to gain perspective of the utilization and effectiveness of the 8(a) BD program. Since FY 2010, the 8(a) program has had management and oversight issues that have led to a steady decline in the number of contracts, total dollar amount obligated, and number of firms participating in the 8(a) program.

### **A. CONCLUSIONS AND RECOMMENDATIONS**

The findings of this research lead to several conclusions about the 8(a) BD program.

First, this research has identified that the industrial base of 8(a) firms being utilized by DOD activities located in California has declined by 22 percent from FY 2010 through FY 2014. Although Section 891, added to 10 U.S.C. 2501 of the 2010 NDAA, directed the Secretary of Defense to expand the industrial base through outreach to nontraditional suppliers and through increased, more effective use of PTACs to promote the use of small businesses, it does not appear to have been effective for the industrial base of 8(a) firms in California. It is recommended that KO's reach out to local 8(a) firms near their respective DOD installations regarding contract opportunities, as well as, encourage the use of PTAC's to effectively promote the use of small businesses.

Secondly, IG, GAO, and U.S. Attorney's Office reports confirmed that ineligible firms have received hundreds of millions of dollars under the 8(a) program. The author's randomly selected firms analyzed from the data collected from the USAspending.gov website yielded no results confirming ineligible firms receiving 8(a) contracts; however, the randomly selected data set was small. It is recommended that KS's and KO's confirm a potential contractor's eligibility under the 8(a) program before issuing a contract award.

This can be done by checking the SBA DSBS site or directly contacting the contracting activities small business professional.

Thirdly, analysis of IG, GAO, and U.S. Attorney's Office reports show that there are management oversight issues in the 8(a) program that can, and have, lead to fraud, waste, and abuse in the 8(a) program. The oversight issues directly relate to issues in the 8(a) industrial base, as well as, the hundreds of millions of dollars awarded to ineligible firms under the 8(a) program. It is recommended that management at contracting activities implement internal controls to ensure compliance with statutes and regulations pertaining to the use of the 8(a) program. Part of the process to implement internal controls must be adequate training to all members involved in the acquisition process.

## **B. AREAS FOR FURTHER RESEARCH**

The development of this research has brought to light new questions and areas for further investigation.

### **(1) 8(a) Utilization at the Activity Level**

The conclusions of this research suggest that further investigation is needed at the activity level in California, as well as, every other state in the U.S. It would be beneficial to understand which activities are utilizing the 8(a) program effectively and to analyze its internal processes that have resulted in successful utilization of the 8(a) program.

### **(2) Geographic Locations of PTAC's and SBA Offices**

Since the Secretary of Defense was directed to utilize PTAC's to enhance the use of nontraditional suppliers, i.e. 8(a) firms, it would be interesting to conduct a comparative analysis of the percentage of 8(a) firms located within the county of a PTAC versus a county without a PTAC. Those results compared to the geographic locations of SBA offices may shed light on the radius of outreach of the SBA offices and PTAC's.



## APPENDIX A. SBA DSBS RECORDS

# SBA Profile

### *Identification, Location & Contacts*

This profile was last updated:

11/08/2014

Status:

Active

User ID:

P0522774

Name of Firm:

CORNERSTONE SOLUTIONS, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

181415022

Parent DUNS Number:

Address, line 1:

1526 E FORREST AVE STE 280

Address, line 2:

City:

EAST POINT

State:

GA

Zip:

30344-6986

Phone Number:

404-961-7399

Fax Number:

404-766-4838

Email Address:

[rjones@csiteamonline.com](mailto:rjones@csiteamonline.com)

WWW Page:

<http://www.csiteamonline.com>

E-Mail (electronic mail  
selling firm's products):

<http://www.csiteamonline.com>

Contact Person:

RONALD E JONES

County Code (3 digit):

121

Congressional District:  
05  
Metropolitan Statistical Area:  
0520  
CAGE Code:  
36LT9  
Year Established:  
2004  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Black American, Other Minority Owned, Self-Certified Small Disadvantaged Business,  
Service-Disabled Veteran, Veteran

### ***Current Principals***

1. RONALD E JONES, PRESIDENT CEO

### ***"Business Development Servicing Office" (for certifications)***

GEORGIA DISTRICT OFFICE (SBA office code 0405)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
303615  
SBA 8(a) Entrance Date:  
10/13/2009  
SBA 8(a) Exit Date:  
10/13/2018

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

12/12/2014

Status:

Active

User ID:

P0481635

Name of Firm:

RORE, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

142359582

Parent DUNS Number:

142359582

Address, line 1:

5151 SHOREHAM PL STE 260

Address, line 2:

City:

SAN DIEGO

State:

CA

Zip:

92122-5962

Phone Number:

858-404-7393 x109

Fax Number:

858-404-7395

Email Address:

[gmurthy@roreinc.com](mailto:gmurthy@roreinc.com)

WWW Page:

<http://www.roreinc.com>

E-Mall (electronic mall  
selling firm's products):

Contact Person:

GITA Murthy

County Code (3 digit):

073

Congressional District:

52

Metropolitan Statistical Area:

7320

CAGE Code:  
3YXL1  
Year Established:  
2003  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):  
[GS-10F-0107M](#)

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Other Minority Owned, Self-Certified Small Disadvantaged Business, Subcontinent Asian American, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Gita Murthy, CEO

### ***"Business Development Servicing Office" (for certifications)***

SAN DIEGO DISTRICT OFFICE (SBA office code 0954)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
301138  
SBA 8(a) Entrance Date:  
06/08/2006  
SBA 8(a) Exit Date:  
06/08/2015

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

01/16/2015

Status:

Active

User ID:

P1466363

Name of Firm:

McNeal, Tommelita

Trade Name ("Doing Business As ..."):

LITA'S FACILITY MAINTENANCE SERVICES

DUNS Number:

147243658

Parent DUNS Number:

Address, line 1:

9656 E Empress Ave

Address, line 2:

City:

Mesa

State:

AZ

Zip:

85208-3156

Phone Number:

480-220-9226

Fax Number:

480-986-1920

Email Address:

[tbuckinghorse@yahoo.com](mailto:tbuckinghorse@yahoo.com)

WWW Page:

E-Mall (electronic mall  
selling firm's products):

Contact Person:

TOMMELITA MCNEAL

County Code (3 digit):

013

Congressional District:

05

Metropolitan Statistical Area:

6200

CAGE Code:

68V07

Year Established:

2003

Accepts Government Credit Card?:

Yes  No

GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:

Ownership and Self-Certifications:

Native American, Other Minority Owned, Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Tommelita McNeal, Owner

### ***"Business Development Servicing Office" (for certifications)***

ARIZONA DISTRICT OFFICE (SBA office code 0988)

### ***8(a) Certification:***

SBA 8(a) Case Number:

304969

SBA 8(a) Entrance Date:

10/04/2011

SBA 8(a) Exit Date:

10/04/2020

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

08/01/2014

Status:

Active

User ID:

P0933711

Name of Firm:

AZTEC CONTRACTORS, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

624243445

Parent DUNS Number:

Address, line 1:

1200 WYOMING AVE

Address, line 2:

City:

EL PASO

State:

TX

Zip:

79902-5510

Phone Number:

915-577-9685

Fax Number:

915-577-9683

Email Address:

[f.spencer@azteccontractors.com](mailto:f.spencer@azteccontractors.com)

WWW Page:

<http://www.azteccontractors.com>

E-Mall (electronic mall

selling firm's products):

Contact Person:

FRANK SPENCER III

County Code (3 digit):

141

Congressional District:

16

Metropolitan Statistical Area:

2320

CAGE Code:  
4ZCF3  
Year Established:  
1989  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Frank Spencer III, President

### ***"Business Development Servicing Office" (for certifications)***

EL PASO DISTRICT OFFICE (SBA office code 0677)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
303880  
SBA 8(a) Entrance Date:  
02/16/2010  
SBA 8(a) Exit Date:  
02/16/2019



# SBA Profile

## *Identification, Location & Contacts*

**This firm's size was protested. See Size, NAICS Codes and Keywords, below.**

This profile was last updated:

01/13/2015

Status:

Active

User ID:

P0786161

Name of Firm:

CSF Technologies Inc.

Trade Name ("Doing Business As ..."):

DUNS Number:

128419095

Parent DUNS Number:

Address, line 1:

200 Federal St Suite 307

Address, line 2:

City:

Camden

State:

NJ

Zip:

08103-1061

Phone Number:

888-495-7561

Fax Number:

888-321-7679

Email Address:

[cfreeman@csftechnologies.com](mailto:cfreeman@csftechnologies.com)

WWW Page:

<http://www.csftechnologies.com>

E-Mall (electronic mail

selling firm's products):

Contact Person:

CURTIS FREEMAN

County Code (3 digit):

007

Congressional District:

01

Metropolitan Statistical Area:

6160  
CAGE Code:  
4GKY1  
Year Established:  
2002  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Black American, Self-Certified Small Disadvantaged Business, Service-Disabled Veteran, Veteran

### ***Current Principals***

1. Curtis S. Freeman, President & CEO
2. Laurette Gibbs, Vice-President

### ***"Business Development Servicing Office" (for certifications)***

NEW JERSEY DISTRICT OFFICE (SBA office code 0299)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
304977  
SBA 8(a) Entrance Date:  
10/07/2011  
SBA 8(a) Exit Date:  
10/07/2020

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

02/16/2015

Status:

Active

User ID:

P0748593

Name of Firm:

Central Coast Ccd Llc

Trade Name ("Doing Business As ..."):

DUNS Number:

173055877

Parent DUNS Number:

Address, line 1:

1117 Funston Ave

Address, line 2:

City:

Pacific Grove

State:

CA

Zip:

93950-5429

Phone Number:

831-277-4818

Fax Number:

831-393-9345

Email Address:

[david@ccd4u.com](mailto:david@ccd4u.com)

WWW Page:

E-Mall (electronic mall  
selling firm's products):

[HTTP://.WWW.CENTRALCOASTCCD.COM](http://www.centralcoastccd.com)

Contact Person:

David A Compton

County Code (3 digit):

053

Congressional District:

20

Metropolitan Statistical Area:

7120

CAGE Code:

398R9

Year Established:

1999

Accepts Government Credit Card?:

Yes  No

GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:

LLC

Ownership and Self-Certifications:

Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. LISA COMPTON, PRESIDENT
2. DAVID COMPTON, DIRECTOR OF OPERATIONS

### ***"Business Development Servicing Office" (for certifications)***

FRESNO DISTRICT OFFICE (SBA office code 0942)

### ***8(a) Certification:***

SBA 8(a) Case Number:

303803

SBA 8(a) Entrance Date:

01/07/2010

SBA 8(a) Exit Date:

01/07/2019

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

11/05/2014

Status:

Active

User ID:

P0459660

Name of Firm:

JEL Management, LLC

Trade Name ("Doing Business As ..."):

JEL Mangement

DUNS Number:

145886813

Parent DUNS Number:

145886813

Address, line 1:

101 E Park Blvd Ste 251

Address, line 2:

City:

Plano

State:

TX

Zip:

75074-5461

Phone Number:

214-427-8170

Fax Number:

214-427-8171

Email Address:

[jlowery@jelmanagement.net](mailto:jlowery@jelmanagement.net)

WWW Page:

E-Mall (electronic mall  
selling firm's products):

Contact Person:

James Lowery

County Code (3 digit):

085

Congressional District:

03

Metropolitan Statistical Area:

1920

CAGE Code:  
3TYJ1  
Year Established:  
2004  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
LLC  
Ownership and Self-Certifications:  
Black American, Other Minority Owned, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. James Lowery, President

### ***"Business Development Servicing Office" (for certifications)***

DALLAS / FT WORTH DISTRICT OFFICE (SBA office code 0610)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
303334  
SBA 8(a) Entrance Date:  
06/30/2009  
SBA 8(a) Exit Date:  
06/30/2018

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

03/31/2015

Status:

Active

User ID:

P0180830

Name of Firm:

Saalex Corp

Trade Name ("Doing Business As ..."):

SAALEX SOLUTIONS

DUNS Number:

103000456

Parent DUNS Number:

103000456

Address, line 1:

811-A Camarillo Springs Rd

Address, line 2:

City:

Camarillo

State:

CA

Zip:

93012-9466

Phone Number:

805-482-1070 x101

Fax Number:

805-482-1072

Email Address:

[TRAVIS.MACK@SAALEX.COM](mailto:TRAVIS.MACK@SAALEX.COM)

WWW Page:

<http://www.saalexolutions.com>

E-Mall (electronic mall

selling firm's products):

Contact Person:

Travis Mack

County Code (3 digit):

111

Congressional District:

26

Metropolitan Statistical Area:

8735  
CAGE Code:  
1T4Z9  
Year Established:  
1998  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Black American, Other Minority Owned, Self-Certified Small Disadvantaged Business,  
Service-Disabled Veteran, Veteran

### ***Current Principals***

1. Travis Mack, CEO/President

### ***"Business Development Servicing Office" (for certifications)***

LOS ANGELES DISTRICT OFFICE (SBA office code 0914)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
107649  
SBA 8(a) Entrance Date:  
01/09/2002  
SBA 8(a) Exit Date:  
01/09/2011



# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

08/28/2014

Status:

Active

User ID:

P0750496

Name of Firm:

RDA CONTRACTING, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

614772072

Parent DUNS Number:

Address, line 1:

160 RIVER RD

Address, line 2:

City:

RIO VISTA

State:

CA

Zip:

94571-1208

Phone Number:

707-374-6414

Fax Number:

Email Address:

[RABOOD@RDACONTRACTING.COM](mailto:RABOOD@RDACONTRACTING.COM)

WWW Page:

E-Mall (electronic mail  
selling firm's products):

Contact Person:

RYAN D ABOOD

County Code (3 digit):

095

Congressional District:

03

Metropolitan Statistical Area:

8720

CAGE Code:

4CC59

Year Established:

2005

Accepts Government Credit Card?:

[ ] Yes [X] No

GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:

Subchapter S Corporation

Ownership and Self-Certifications:

Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Ryan D. Abood, President, CEO

### ***"Business Development Servicing Office" (for certifications)***

SAN FRANCISCO DISTRICT OFFICE (SBA office code 0912)

### ***8(a) Certification:***

SBA 8(a) Case Number:

302370

SBA 8(a) Entrance Date:

02/17/2008

SBA 8(a) Exit Date:

02/17/2017

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

08/06/2014

Status:

Active

User ID:

P0267470

Name of Firm:

MAJESTYC CONSTRUCTION, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

086422842

Parent DUNS Number:

Address, line 1:

40250 FIELDSPRING ST

Address, line 2:

City:

PALMDALE

State:

CA

Zip:

93591-3022

Phone Number:

661-264-9974

Fax Number:

661-264-0534

Email Address:

[ron@majestyconstruction.com](mailto:ron@majestyconstruction.com)

WWW Page:

<http://www.majestyconstruction.com>

E-Mall (electronic mall

selling firm's products):

<http://ron@majestyc.biz>

Contact Person:

Ron L Marchelletta

County Code (3 digit):

037

Congressional District:

25

Metropolitan Statistical Area:

4480

CAGE Code:  
3DZV2  
Year Established:  
2001  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Hispanic American, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Jesus Preciado, President
2. Ronald Marchelletta, Vice President

### ***"Business Development Servicing Office" (for certifications)***

LOS ANGELES DISTRICT OFFICE (SBA office code 0914)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
109075  
SBA 8(a) Entrance Date:  
02/11/2003  
SBA 8(a) Exit Date:  
02/11/2012

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

10/07/2014

Status:

Active

User ID:

P1074362

Name of Firm:

IMAGINE MEDIA GROUP, L.L.C.

Trade Name ("Doing Business As ..."):

DUNS Number:

616601634

Parent DUNS Number:

Address, line 1:

265 1/2 BROADWAY

Address, line 2:

City:

CHULA VISTA

State:

CA

Zip:

91910-2319

Phone Number:

619-407-4180 x215

Fax Number:

619-422-1060

Email Address:

[ray@imgnetworks.com](mailto:ray@imgnetworks.com)

WWW Page:

<https://www.imgnetworks.com>

E-Mall (electronic mall

selling firm's products):

<https://www.imgnetworks.com>

Contact Person:

RAY RODRIGUEZ

County Code (3 digit):

073

Congressional District:

51

Metropolitan Statistical Area:

7320

CAGE Code:  
5FKV8  
Year Established:  
2004  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
LLC  
Ownership and Self-Certifications:  
Asian Pacific American, Other Minority Owned, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Emil Arguelles, President
2. Emilie Arguelles, Vice President

### ***"Business Development Servicing Office" (for certifications)***

SAN DIEGO DISTRICT OFFICE (SBA office code 0954)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
303956  
SBA 8(a) Entrance Date:  
03/11/2010  
SBA 8(a) Exit Date:  
03/11/2019

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

04/01/2015

Status:

Active

User ID:

P0213020

Name of Firm:

AMC Defense Technologies, Inc.

Trade Name ("Doing Business As ..."):

DUNS Number:

084817977

Parent DUNS Number:

Address, line 1:

320 Grand Cypress Ave Ste 502

Address, line 2:

City:

Palmdale

State:

CA

Zip:

93551-3622

Phone Number:

661-951-6566

Fax Number:

661-951-6576

Email Address:

[gene@amcdt.com](mailto:gene@amcdt.com)

WWW Page:

<http://www.amcdt.com>

E-Mall (electronic mall  
selling firm's products):

Contact Person:

Eugene J SOUZA

County Code (3 digit):

037

Congressional District:

25

Metropolitan Statistical Area:

4480

CAGE Code:

1TLH0  
Year Established:  
1998  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Alaskan Native Corporation Owned Firm, Native American, Other Minority Owned,  
Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. FELIX HESS, PRESIDENT
2. PAUL BEAN, GENERAL MANAGER
3. GENE SOUZA, COO

### ***"Business Development Servicing Office" (for certifications)***

LOS ANGELES DISTRICT OFFICE (SBA office code 0914)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
SBA 8(a) Entrance Date:  
SBA 8(a) Exit Date:



# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

10/24/2014

Status:

Active

User ID:

P0209947

Name of Firm:

MCCULLOUGH CONSTRUCTION, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

960456275

Parent DUNS Number:

Address, line 1:

57 Alder Grove Rd

Address, line 2:

City:

arcata

State:

CA

Zip:

95521-9276

Phone Number:

707-825-1014

Fax Number:

707-825-1769

Email Address:

[mackymccullough@mcculloughconstructioninc.com](mailto:mackymccullough@mcculloughconstructioninc.com)

WWW Page:

[www.mcculloughconstructioninc.com](http://www.mcculloughconstructioninc.com)

E-Mall (electronic mail

selling firm's products):

<http://www.mcculloughconstructioninc.com>

Contact Person:

HUGH M MCCULLOUGH JR

County Code (3 digit):

023

Congressional District:

02

Metropolitan Statistical Area:

CAGE Code:

3BEMO  
Year Established:  
1995  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Native American, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Hugh M. McCullough Jr., President
2. Dena A. McCullough, Vice President

### ***"Business Development Servicing Office" (for certifications)***

SAN FRANCISCO DISTRICT OFFICE (SBA office code 0912)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
304843  
SBA 8(a) Entrance Date:  
08/03/2011  
SBA 8(a) Exit Date:  
08/03/2020

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

03/05/2015

Status:

Active

User ID:

P0636644

Name of Firm:

ONSITE CONSTRUCTION & ENGINEERING, INC.

Trade Name ("Doing Business As ..."):

DUNS Number:

198052305

Parent DUNS Number:

198052305

Address, line 1:

720 S FRONTAGE RD STE 104

Address, line 2:

City:

NIPOMO

State:

CA

Zip:

93444-9131

Phone Number:

805-929-0326

Fax Number:

805-929-0267

Email Address:

[judy@onsiteconstructioninc.com](mailto:judy@onsiteconstructioninc.com)

WWW Page:

E-Mall (electronic mail  
selling firm's products):

Contact Person:

JUDY L BROOKS

County Code (3 digit):

079

Congressional District:

24

Metropolitan Statistical Area:

7460

CAGE Code:

39UK9

Year Established:

2004

Accepts Government Credit Card?:

Yes  No

GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:

Ownership and Self-Certifications:

Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Judy Brooks, CEO, President
2. Mark Paz, VP, General Construction
3. Robert Bergner, VP

### ***"Business Development Servicing Office" (for certifications)***

FRESNO DISTRICT OFFICE (SBA office code 0942)

### ***8(a) Certification:***

SBA 8(a) Case Number:

300834

SBA 8(a) Entrance Date:

02/16/2006

SBA 8(a) Exit Date:

02/16/2015

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

01/09/2015

Status:

Active

User ID:

P0662544

Name of Firm:

2ND NATURE LLC

Trade Name ("Doing Business As ..."):

DUNS Number:

186292814

Parent DUNS Number:

186292814

Address, line 1:

500 SEABRIGHT AVE STE 205

Address, line 2:

City:

SANTA CRUZ

State:

CA

Zip:

95062-2603

Phone Number:

831-426-9119

Fax Number:

831-426-7092

Email Address:

[nicole@2ndnaturellc.com](mailto:nicole@2ndnaturellc.com)

WWW Page:

<http://www.2ndnaturellc.com/>

E-Mall (electronic mall

selling firm's products):

Contact Person:

NICOLE Beck

County Code (3 digit):

087

Congressional District:

20

Metropolitan Statistical Area:

7485

CAGE Code:  
42VDO  
Year Established:  
2005  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Self-Certified Small Disadvantaged Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Nicole Beck, Principal

### ***"Business Development Servicing Office" (for certifications)***

SAN FRANCISCO DISTRICT OFFICE (SBA office code 0912)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
302324  
SBA 8(a) Entrance Date:  
02/04/2008  
SBA 8(a) Exit Date:  
02/04/2017

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

02/25/2015

Status:

Active

User ID:

P0640840

Name of Firm:

Rivera Consulting Group Inc.

Trade Name ("Doing Business As ..."):

Rivera Group

DUNS Number:

167876361

Parent DUNS Number:

Address, line 1:

7060 SR 311

Address, line 2:

City:

Sellersburg

State:

IN

Zip:

47172-0000

Phone Number:

812-246-4055

Fax Number:

812-246-4996

Email Address:

[JRIVERA@RIVERAINC.COM](mailto:JRIVERA@RIVERAINC.COM)

WWW Page:

<http://www.riverainc.com>

E-Mall (electronic mail  
selling firm's products):

Contact Person:

JOEY RIVERA

County Code (3 digit):

019

Congressional District:

9

Metropolitan Statistical Area:

4520  
CAGE Code:  
3ZZF9  
Year Established:  
2004  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business, Service-Disabled Veteran, Veteran

### ***Current Principals***

1. Joey Rivera, President

### ***"Business Development Servicing Office" (for certifications)***

INDIANA DISTRICT OFFICE (SBA office code 0562)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
300392  
SBA 8(a) Entrance Date:  
06/27/2005  
SBA 8(a) Exit Date:  
06/27/2014



# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

02/25/2015

Status:

Active

User ID:

P0480979

Name of Firm:

DL REFORESTATION INC

Trade Name ("Doing Business As ..."):

DUNS Number:

133642046

Parent DUNS Number:

Address, line 1:

3067 INGALLS DR

Address, line 2:

City:

WHITE CITY

State:

OR

Zip:

97503-1468

Phone Number:

541-621-8616

Fax Number:

541-826-6715

Email Address:

[dlreforestation\\_domingo@yahoo.com](mailto:dlreforestation_domingo@yahoo.com)

WWW Page:

E-Mall (electronic mall  
selling firm's products):

Contact Person:

DOMINGO Lopez

County Code (3 digit):

029

Congressional District:

02

Metropolitan Statistical Area:

4890

CAGE Code:

3YSJ6

Year Established:  
2003  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. Domingo Lopez, CEO
2. Ubaldo Lopez, Vice-President
3. Armando Lopez, Secretary

### ***"Business Development Servicing Office" (for certifications)***

PORTLAND DISTRICT OFFICE (SBA office code 1086)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
301451  
SBA 8(a) Entrance Date:  
10/20/2006  
SBA 8(a) Exit Date:  
10/20/2015

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

11/19/2014

Status:

Active

User ID:

P0096995

Name of Firm:

Bratslavsky Consulting Engineers, Inc.

Trade Name ("Doing Business As ..."):

DUNS Number:

845228196

Parent DUNS Number:

845228196

Address, line 1:

500 W 27th Avenue, Suite A

Address, line 2:

City:

Anchorage

State:

AK

Zip:

99503-2575

Phone Number:

907-272-5264

Fax Number:

907-272-5214

Email Address:

[tanya@bce-ak.com](mailto:tanya@bce-ak.com)

WWW Page:

<http://www.bce-ak.com>

E-Mall (electronic mall  
selling firm's products):

<http://www.bce-ak.com>

Contact Person:

Tanya Bratslavsky

County Code (3 digit):

020

Congressional District:

00

Metropolitan Statistical Area:

0380  
CAGE Code:  
1M6L4  
Year Established:  
1985  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):  
[GS-23F-0027S](#), [GS-21F-054AA](#)

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Ms. Tanya Bratslavsky, P.E., Principal Engineer, President

### ***"Business Development Servicing Office" (for certifications)***

ALASKA DISTRICT OFFICE (SBA office code 1084)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
104878  
SBA 8(a) Entrance Date:  
06/04/1999  
SBA 8(a) Exit Date:  
06/04/2008

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

10/17/2014

Status:

Active

User ID:

P0507744

Name of Firm:

Gutierrez Canales Engineering, P.C.

Trade Name ("Doing Business As ..."):

GCE

DUNS Number:

132516241

Parent DUNS Number:

Address, line 1:

1851 W 24th St, Suite 201

Address, line 2:

City:

Yuma

State:

AZ

Zip:

85364-6104

Phone Number:

928-317-1401

Fax Number:

928-344-0112

Email Address:

[mcanales@nejaw.com](mailto:mcanales@nejaw.com)

WWW Page:

<http://www.gcepc.com>

E-Mall (electronic mail  
selling firm's products):

Contact Person:

MARISOL CANALES

County Code (3 digit):

027

Congressional District:

03

Metropolitan Statistical Area:

9360

CAGE Code:  
33KZ0  
Year Established:  
2002  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Marisol A. Canales, Principal/Owner

### ***"Business Development Servicing Office" (for certifications)***

ARIZONA DISTRICT OFFICE (SBA office code 0988)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
300944  
SBA 8(a) Entrance Date:  
03/27/2006  
SBA 8(a) Exit Date:  
03/27/2015

# SBA Profile

## *Identification, Location & Contacts*

This profile was last updated:

03/10/2015

Status:

Active

User ID:

P1106441

Name of Firm:

GRADILLAS COURT REPORTERS INC

Trade Name ("Doing Business As ..."):

DUNS Number:

067459326

Parent DUNS Number:

Address, line 1:

345 N MAPLE DR STE185

Address, line 2:

City:

BEVERLY HILLS

State:

CA

Zip:

90210-5184

Phone Number:

310-859-6677

Fax Number:

310-859-6694

Email Address:

[jgradillas@gradillas.com](mailto:jgradillas@gradillas.com)

WWW Page:

<http://www.gradillas.com>

E-Mall (electronic mail  
selling firm's products):

Contact Person:

JOSEPHINE Gradillas

County Code (3 digit):

037

Congressional District:

33

Metropolitan Statistical Area:

4480

CAGE Code:

5L2Y8  
Year Established:  
2001  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):  
[GS-07F-0502Y](#)

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Subchapter S Corporation  
Ownership and Self-Certifications:  
Hispanic American, Other Minority Owned, Self-Certified Small Disadvantaged Business, Economically Disadvantaged Women-Owned Small Business, Women-Owned Small Business, Woman Owned

### ***Current Principals***

1. Josephine Gradillas, President

### ***"Business Development Servicing Office" (for certifications)***

LOS ANGELES DISTRICT OFFICE (SBA office code 0914)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
304358  
SBA 8(a) Entrance Date:  
11/05/2010  
SBA 8(a) Exit Date:  
11/05/2019



**APPENDIX B. AMC DEFENSE TECHNOLOGIES, INC. SBA DSBS  
PROFILE**

## **SBA Profile**

### *Identification, Location & Contacts*

This profile was last updated:

04/01/2015

Status:

Active

User ID:

P0213020

Name of Firm:

AMC Defense Technologies, Inc.

Trade Name ("Doing Business As ..."):

DUNS Number:

084817977

Parent DUNS Number:

Address, line 1:

320 Grand Cypress Ave Ste 502

Address, line 2:

City:

Palmdale

State:

CA

Zip:

93551-3622

Phone Number:

661-951-6566

Fax Number:

661-951-6576

Email Address:

[gene@amcdt.com](mailto:gene@amcdt.com)

WWW Page:

<http://www.amcdt.com>

E-Mall (electronic mail  
selling firm's products):

Contact Person:

Eugene J SOUZA

County Code (3 digit):

037

Congressional District:  
25  
Metropolitan Statistical Area:  
4480  
CAGE Code:  
1TLH0  
Year Established:  
1998  
Accepts Government Credit Card?:  
 Yes  No  
GSA Advantage Contract(s):

(Note: Size information is now under "NAICS Codes with Size Determinations by NAICS," below.)

## ***Organization, Ownership & Certifications***

Legal Structure:  
Ownership and Self-Certifications:  
Alaskan Native Corporation Owned Firm, Native American, Other Minority Owned,  
Self-Certified Small Disadvantaged Business

### ***Current Principals***

1. FELIX HESS, PRESIDENT
2. PAUL BEAN, GENERAL MANAGER
3. GENE SOUZA, COO

### ***"Business Development Servicing Office" (for certifications)***

LOS ANGELES DISTRICT OFFICE (SBA office code 0914)

### ***8(a) Certification:***

SBA 8(a) Case Number:  
SBA 8(a) Entrance Date:  
SBA 8(a) Exit Date:

## LIST OF REFERENCES

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- DiNapoli, T.J. (2014, December 22). *Further actions needed to improve oversight of pass-through contracts* (GAO-15-200). Washington, DC: Government Accountability Office. Retrieved from <http://www.gao.gov/products/GAO-15-200>
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- Small Business Act, 15 U.S.C. § 637 (1953).
- Two business owners indicted in alleged wire fraud conspiracy to fraudulently obtain more than \$2.8 million in government contracts under the SBA's 8(a) Program. (2014, May 1). U.S. Attorney's Office, District of Maryland. Retrieved from <http://www.justice.gov/usao-md/pr/two-business-owners-indicted-alleged-wire-fraud-conspiracy-fraudulently-obtain-more-18>
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