

**News from Set-Aside Alert:
SBA Plans New Emphasis on Fraud Prevention
By Warren Corbett, Editor
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SBA wants to add 24 additional personnel to combat fraud and abuse in its contracting programs.

The new positions are included in the agency's 2012 budget request. The added emphasis on enforcement follows a series of investigations by the Government Accountability Office that found instances of fraud in the 8(a), HUBZone and service-disabled veterans programs.

"We have taken the fraud-waste-and-abuse issue head-on because this was not an area that had been robustly attended to," SBA Administrator Karen Mills told the Senate Small Business Committee on March 31. "We had a lot of work to do."

She said SBA will follow a three-pronged approach, as recommended by GAO: stricter supervision of the certification process for companies entering its contracting programs; improved monitoring of contracts; and punishment of wrongdoers.

Bipartisan leaders of the committee have said the issue should be the "first priority." Five senators have introduced legislation that would tighten certification rules for SBA contracting programs and provide tougher punishment for fraud.

Among other things, the bill would require 8(a), HUBZone and SDV businesses to file documents supporting their eligibility with the Online Registrations and Certifications database. Participants in the woman-owned set-aside program are already required to file such documentation.

President Obama's 2012 budget asks for \$985 million in funding for SBA. That is 45% less than the 2010 level because of economic stimulus provisions included in that year's budget. No budget for 2011 was enacted; the agency is funded under the continuing resolution that holds most spending at 2010 levels.

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