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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Kristi Noem
Secretary
U.S. Department of Homeland Security
2707 Martin Luther King Jr Ave, SE
Washington, D.C. 20528

Dear Secretary Noem,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

In FY 24, the Department of Homeland Security (DHS) awarded approximately \$1 billion through the 8(a) program, including \$641.5 million in total 8(a) sole-source dollars and \$455.2 million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. 8(a) rules protect competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Brice Engineering, LLC, (UEI: WN2HXUFE4AA5), was awarded a \$1.4 million 8(a) sole-source contract (PIID: 70Z08721FPPCC0300) on August 4, 2021.¹¹ Brice Engineering, LLC, is a subsidiary of the ANC, Calista Corporation. It lists its primary NAICS code as 562910 “Remediation Services”; and its 8(a) certification period runs from 2017 to 2027.¹² However, SBA records show Calista Corporation is concurrently operating another subsidiary, Brice Integrated LLC, (UEI: GYYGGJXCXP6D5), which has an overlapping 8(a) certification period from 2024 to 2033 and the same primary NAICS code.¹³ *It appears Calista Corporation is operating at least two 8(a) subsidiaries with the same primary NAICS code at the same time, in potential violation of SBA’s rules.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed. Accordingly, I respectfully request that the DHS immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 70Z08721FPPCC0300, and any other 8(a) award made by the DHS to Brice Engineering, LLC, (UEI:

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$1.4 million. DHS, CEU Juneau (00087), Contract No. 70Z08721FPPCC0300, Award to Brice Engineering LLC (UEI: WN2HXUFE4AA5) (Aug. 4, 2021), *available at*

<https://sam.gov/workspace/contract/award/view/70Z08721FPPCC0300?agencyID=7008&modNumber=0&transactionNumber=0&refIdvPiid=70Z05019DBRENGR03&idvAgencyID=7008&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_70Z08721FPPCC0300_7008_70Z05019DBRENGR03_7008 (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Brice Engineering LLC*, *available at* <https://search.certifications.sba.gov/profile/WN2HXUFE4AA5/7K4L7?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Brice Integrated LLC*, *available at* <https://search.certifications.sba.gov/profile/GYYGGJXCXP6D5/9GNZ7?page=1> (last accessed Nov. 18, 2025).

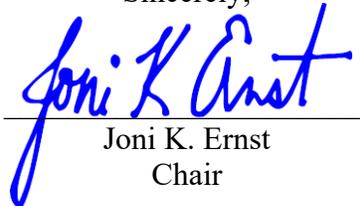
¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

WN2HXUFE4AA5), and the network of Calista Corporation subsidiaries it may be connected to;¹⁵

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Brice Engineering LLC*, available at <https://www.usaspending.gov/recipient/b0514484-6a2c-f6c8-65ac-48122096259d-C/latest> (last accessed Nov. 18, 2025).

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

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WASHINGTON, DC 20510-6350
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December 8, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, D.C. 20230

Dear Secretary Lutnick,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

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² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Commerce (DOC) awarded approximately \$410.4 million through the 8(a) program, including \$352.2 million in total 8(a) sole-source dollars and \$58.2 million in

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small-business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered PCI Government Services (UEI: ENWEMNJABJB3), received a \$20.9 million 8(a) sole-source contract (PIID: 1333ND23FNB130083) on April 3, 2023.¹¹ Records indicate a sub-award obligation of \$11.5 million, constituting more than 51 percent of prime award obligations.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOC immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 1333ND23FNB130083, and any other 8(a) award made by the DOC to PCI Government Services (UEI: ENWEMNJABJB3), or its network of affiliates, if applicable;¹³
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$17.7 million. The sub-award history indicated on this contract award profile indicates one sub-award transaction for a total sub-award obligation constituting 64.8 percent of the prime award obligations going to a single non-8(a) subcontractor, Oliver Wyman LLC, DOC, Nat’l. Inst. of Standards and Tech., Contract No. 1333ND23FNB130083, Award to PCI Government Services LLC (UEI: ENWEMNJABJB3) (Apr. 3, 2023), *available at* <https://sam.gov/workspace/contract/award/view/1333ND23FNB130083?agencyID=1341&modNumber=0&transactionNumber=0&refIdvPiid=1333ND23DNB130009&idvAgencyID=1341&contractType=AWARD> (last accessed Nov. 18, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_1333ND23FNB130083_1341_1333ND23DNB130009_1341. (last accessed Nov. 17, 2025); *see also* Oliver Wyman LLC Subcontract ID PCIGS-23-NIST-OW-15022, (Apr. 4, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/9d3d6d48-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* 15 U.S.C. 657(s).

¹² *Id.*

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile PCI Government Services LLC*, *available at* <https://www.usaspending.gov/recipient/2f89382e-3f9d-2ae9-4e64-cc82d2bb7bba-C/latest> (last accessed Nov. 18, 2025).

¹⁴ 13 C.F.R. §124

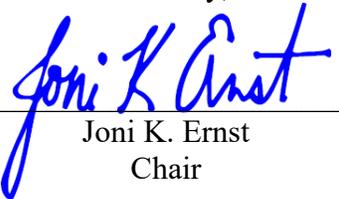
¹⁵ *Id.*

offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



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United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Pete Hegseth
Secretary
U.S. Department of War
1400 Defense Pentagon
Washington, D.C. 20301

Dear Secretary Hegseth,
As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

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While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

In FY 24, the Pentagon awarded approximately \$8.5 billion through the 8(a) program, including \$6.5 billion in total 8(a) sole-source dollars and \$2 billion in total 8(a) set-aside dollars.⁹

Through my investigation, I discovered Dawson MCG, LLC, (UEI: HS3VC3KDDGJ6), received a \$3.4 million 8(a) sole-source award (PIID: N6247823D2404) from the Office of Naval Facilities Engineering Systems Command Hawaii (NAVFACSYSCOM HAWAII) on June 30, 2023, just days after the federal government raided the Dawson conglomerate offices, confiscating company computers and cell phones.¹⁰ Dawson MCG, LLC, is a member of the DAWSON family of companies, all of which are subsidiaries of the Native Hawaiian Organization (NHO), Hawaiian Native Corporation.¹¹

I am troubled by a company under active federal investigation continuing to receive high-dollar, no-bid contracts from the Pentagon, despite federal actions indicating major concerns regarding the firm's "good character," which is a required eligibility criterion for 8(a) participants.¹² Newly unsealed court filings from the Department of Justice detail how Christopher Dawson, the founder of the Dawson companies, and other executives "used shell companies and direct company transfers to steal money from Dawson's [8(a)] federal contracting business to line their own pockets and purchase expensive homes."¹³ Prosecutors believe that, between 2015 and 2021, the total amount of money diverted into one of Dawson's shell companies was \$17 million; nearly double what was sent to Hawaiian Native Corporation for the benefit of Native Hawaiians.¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the Pentagon immediately pause all 8(a) sole-source contracting. I also request that your department:

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$3.4 million. DOD, Nav. Facilities Eng'g Sys. Command Haw., Contract No. N6247823D2404, Award to Dawson MCG, LLC (UEI: HS3VC3KDDGJ6) (June 30, 2023), *available at* <https://sam.gov/workspace/contract/award/view/N6247823D2404?agencyID=9700&modNumber=0&transactionNumber=null&refIdvPiid=null&idvAgencyID=null&contractType=IDV> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_IDV_N6247823D2404_9700 (last accessed Nov. 18, 2025); *see also* Nick Grube, *Prominent Native Hawaiian Defense Contractor Is Part Of New Federal Criminal Probe*, HONOLULU CIVIL BEAT, (June 29, 2023), *available at* <https://www.civilbeat.org/2023/06/prominent-native-hawaiian-defense-contractor-is-part-of-new-federal-criminal-probe/>; *see also* Christina Jedra, *Navy Awards Red Hill Contract to Company Just Raided by Feds*, HONOLULU CIVIL BEAT, (July 11, 2023), *available at* <https://www.civilbeat.org/2023/07/navy-awards-red-hill-contract-to-company-just-raided-by-feds/>.

¹¹ Dawson, *About Us: Dawson 'Ohana – Our Family of Companies*, *available at* <https://www.dawsonohana.com/about-us/> (last accessed Nov. 18, 2025).

¹² Nick Grube, *Justice Department: Well-Known Hawaiian Defense Contractor Embezzled Funds*, HONOLULU CIVIL BEAT, (Nov. 17, 2025), *available at* <https://www.civilbeat.org/2025/11/justice-department-well-known-hawaiian-defense-contractor-embezzled-funds/>; *see also* 13 C.F.R. §124.108(a)(1)-(5) and 13 C.F.R. §124.109(c)(7)(ii).

¹³ *Id.*

¹⁴ *Id.*

1. Examine for potential fraud the individual contract, PIID: N6247823D2404, and any other 8(a) awards made by the Pentagon to Dawson MCG, LLC, (UEI: HS3VC3KDDGJ6), and the network of Hawaiian Native Corporation subsidiaries it may be connected to;¹⁵
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,

Joni K. Ernst
Chair

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Dawson MCG, LLC*, available at <https://www.usaspending.gov/recipient/850c8603-0568-6f97-6243-f225a1c1d364-C/latest> (last accessed Nov. 18, 2025).

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Chris Wright
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, D.C. 20585

Dear Secretary Wright,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 2024, the Department of Energy (DOE) awarded approximately \$251.2 million through the 8(a) program, including \$178.9 million in total 8(a) sole-source dollars and \$72.3 million in

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small-business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered Cherokee Nation Strategic Programs, LLC, (UEI: PQNNHF72NNM6), received a \$2.9 million 8(a) sole-source contract (PIID: 89303023FPA400002) on March 10, 2023.¹¹ Records indicate two related sub-award obligations totaling nearly \$1.9 million, constituting over 80 percent of prime award obligations.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOE immediately pause all 8(a) sole-source contracting. I also request that your department:

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” (13 C.F.R § 125.6 *see also* 13 C.F.R § 125.6.) In determining what constitutes “the amount paid”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the outlayed and obligated amount on this contract is \$2.3 million. The sub-award history indicated on this contract award profile indicates three sub-award transactions for total sub-award obligations of \$3.69 million out of \$2.29 million obligated, or 160.6 percent of the prime award obligations going to non-8(a) subcontractors Insight Global, LLC, and Lempugh Inc. However, it is likely one of the three transactions is a duplicate, as there are two transactions recorded to Lempugh Inc on different dates, but for the same amount and substantially the same sub-award description. Accounting for the error and removing the duplicate, the sub-award obligation totals \$1.9 million, or approximately 82 percent of prime award obligations going to non-8(a) subcontractors Insight Global, LLC and Lempugh Inc. DOE, HQ Procurem. Servs., Contract No.

89303023FPA400002, Award to Cherokee Nation Strategic Programs, L.L.C. (UEI: PQNNHF72NNM6) (Mar. 10, 2023), *available at* <https://sam.gov/workspace/contract/award/view/89303023FPA400002?agencyID=8900&modNumber=0&transactionNumber=0&refIdvPiid=47QRAD20D8141&idvAgencyID=4732&contractType=AWARD> (last accessed Nov. 19, 2025); *see also*

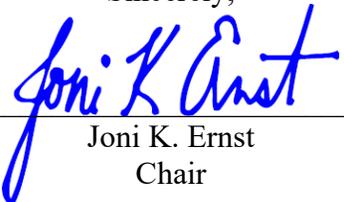
https://www.usaspending.gov/award/CONT_AWD_12314421F0032_1205_HHSN316201200102W_7529. (last accessed Nov. 18, 2025); *see also* Lempugh Inc, Subcontract ID SUB-005491, (Jul. 18, 2024), *available at* <https://sam.gov/workspace/contract/subcontract/b6d930f2-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published>. (last accessed Nov. 18, 2025); *see also* Insight Global LLC, Subcontract ID SUB-005987, (Jan. 22, 2024) *available at* <https://sam.gov/workspace/contract/subcontract/b6d92b02-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025); *see also* Lempugh Inc, Subcontract ID SUB-005491, (Jan. 2, 2024) *available at* <https://sam.gov/workspace/contract/subcontract/b6d92db4-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025); *see also* 15 U.S.C. 657(s).

¹² *Id.*

1. Examine for potential fraud the individual contract, PIID: 89303023FPA400002, and any other 8(a) award made by the DOE to Cherokee Nation Strategic Programs, LLC, (UEI: PQNNHF72NNM6), and the network of subsidiaries it may be connected to;¹³
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV *Recipient Profile Cherokee Nation Strategic Programs LLC*, available at <https://www.usaspending.gov/recipient/dbdc578b-4796-bcec-5cb8-74a02da492f5-C/latest> (last accessed Nov. 18, 2025).

¹⁴ 13 C.F.R. §124

¹⁵ *Id.*

JONI ERNST, IOWA, CHAIR
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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Doug Burgum
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Burgum,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

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² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goals from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of the Interior (DOI) awarded approximately \$224 million through the 8(a) program, which includes \$153.2 million in total 8(a) sole-source dollars and \$70.8 million in

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Chenega IT Enterprise Services, LLC, (UEI: W4JMN6B97WC4), was awarded a \$13.3 million 8(a) sole-source order (PIID: 140D0423F0081) on May 4, 2023.¹¹ Chenega IT Enterprise Services, LLC, is a subsidiary of the ANC, Chenega Corporation. It lists its primary NAICS code as 518210, “Computing Infrastructure Provider,” and was an 8 (a) participant from 2017 to 2024.¹² However, SBA records show Chenega Corporation operated a second 8(a) participant, Chenega Applied Solutions, LLC, (UEI: TNKNEKL5YMP1), during an overlapping period of active 8(a) certification from 2012 to 2020 under the same primary NAICS code.¹³ *It appears Chenega Corporation operated at least two 8(a) subsidiaries with the same primary NAICS code at the same time, in potential violation of SBA’s rules.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOI immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 140D0423F0081, and any other 8(a) award made by the DOI to Chenega IT Enterprise Services, LLC, (UEI: W4JMN6B97WC4), and the network of Chenega Corporation subsidiaries it may be connected to;¹⁵

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the current obligated amount on this contract is \$9.4 million. DOI., IBC Acq. Servs. Dir., Contract No. 140D0423F0081, Award to Chenega IT Enterprise Services, LLC (UEI: W4JMN6B97WC4) (May 4, 2023), *available at* <https://sam.gov/workspace/contract/award/view/140D0423F0081?agencyID=1406&modNumber=0&transactionNumber=0&refIdvPiid=47QTCB22D0215&idvAgencyID=4732&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_140D0423F0081_1406_47QTCB22D0215_4732 (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Chenega IT Enterprise Services LLC*, *available at* <https://search.certifications.sba.gov/profile/W4JMN6B97WC4/7LQW8?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Chenega Applied Solutions LLC*, *available at* <https://search.certifications.sba.gov/profile/TNKNEKL5YMP1/6PRK3?page=1> (last accessed Nov. 18, 2025).

¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Chenega IT Enterprise Services LLC*, *available at* <https://www.usaspending.gov/recipient/220da283-9399-f6c3-d04b-127b385be420-C/latest> (last accessed Nov. 18, 2025).

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Pam Bondi
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Bondi,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goals from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the DOJ awarded approximately \$254.3 million through the 8(a) program, which includes \$179.2 million in total 8(a) sole-source dollars and \$75.1 million in total 8(a) set-aside

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Chenega Agile Real-Time Solutions, LLC, (Chenega Agile) (UEI: V7C4ZMQU3RE8), received a \$618,605 8(a) sole-source award (PIID: 15JPSS21C00000275) on September 28, 2021.¹¹ Chenega Agile is a subsidiary of the ANC, Chenega Corporation. It lists its primary NAICS code as 541513, “Computer Facilities Management Services,” and its 8(a) certification period runs from 2019 to 2029.¹² However, SBA records show Chenega Corporation previously operated another 8(a) participant, Chenega Technical Innovations, LLC, (UEI: J6G4KHLDTG6), which participated in the 8(a) program from 2011 to 2019 under the same primary NAICS code.¹³ *It appears Chenega Corporation violated the SBA’s two-year waiting requirement by seeking 8(a) certification for Chenega Agile in 2019, while Chenega Technical’s 8(a) certification ended the same year.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOJ immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 15JPSS21C00000275, and any other 8(a) award made by the DOJ to Chenega Agile (UEI: V7C4ZMQU3RE8), and the network of Chenega Corporation subsidiaries it may be connected to;¹⁵

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the current obligated amount on this contract is \$490,522. DOJ, 15JPSS JMD Procurem. Servs. Staff, Contract No. 15JPSS21C00000275, Award to Chenega Agile (UEI: V7C4ZMQU3RE8) (Sept. 28, 2021), *available at* <https://sam.gov/workspace/contract/award/view/15JPSS21C00000275?agencyID=1501&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_15JPSS21C00000275_1501_-NONE-_NONE- (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Chenega Agile*, *available at* <https://search.certifications.sba.gov/profile/V7C4ZMQU3RE8/7ZW76?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Chenega Technical Innovations LLC*, *available at* <https://search.certifications.sba.gov/profile/J6G4KHLDTG6/6DJK8?page=1> (last accessed Nov. 18, 2025).

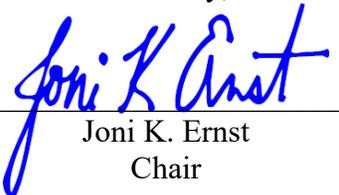
¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Chenega Agile*, *available at* <https://www.usaspending.gov/recipient/3fd99eae-e85b-6860-cd73-ba030b7a9101-C/latest> (last accessed Nov. 18, 2025).

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Lori Chavez-DeRemer
Secretary
U.S. Department of Labor
200 Constitution Ave., NW
Washington, D.C. 20210

Dear Secretary Chavez-DeRemer,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Labor (DOL) awarded approximately \$119.1 million through the 8(a) program, this includes \$89.7 million in total 8(a) sole-source dollars and \$29.4 million in

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

total 8(a) set-aside dollars.⁹ Strong compliance with 8(a) eligibility rules keeps 8(a) contracts reserved for eligible, qualified participants.

Through my investigation, I discovered PMR Services II, LLC, (UEI: L7G8LAZH3EJ7), received a \$2.4 million 8(a) sole-source award (PIID: 1605AE21C0007) on May 19, 2021. Yet SBA records indicate this company has never been an 8(a) participant and, as such, should not have been eligible to receive this or any 8(a) award.¹⁰ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOL immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 1605AE21C0007, and any other 8(a) award made by the DOL to PMR Services II, LLC, (UEI: L7G8LAZH3EJ7), or any of its affiliates, if applicable;¹¹
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹² potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹³ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$2.4 million. DOL, 1605AE-DOL-JCAS-AEC, Contract No. 1605AE21C0007, Award to PMR Services II LLC (UEI: L7G8LAZH3EJ7) (May 19, 2021), *available at* <https://sam.gov/workspace/contract/award/view/1605AE21C0007?agencyID=1605&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* https://www.usaspending.gov/award/CONT_AWD_1605AE21C0007_1605_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* 15 U.S.C. § 637(a).

¹¹ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile PMR Services II, LLC*, *available at* <https://www.usaspending.gov/recipient/001c01d9-5609-d845-8c93-1d06532c3000-C/latest> (last accessed Nov. 18, 2025).

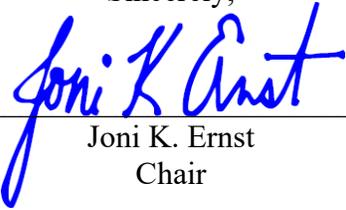
¹² 13 C.F.R. §124

¹³ *Id.*

Secretary Chavez-DeRemer
December 8, 2025
Page 4 of 4

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Sean Duffy
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary Duffy,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goals from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Transportation (DOT) awarded approximately \$222.9 million through the 8(a) program, this includes \$111.9 million in total 8(a) sole-source dollars and \$111

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Echelon Services, LLC, (UEI: V6WFXPAQNYC7), was awarded a \$5.6 million 8(a) contract (PIID: 693JK423C500009) on August 16, 2023.¹¹ Echelon Services, LLC, is a subsidiary of the NHO Hawaii Pacific Foundation. It lists its primary NAICS code as 541519, "Other Computer Related Services," and its 8(a) certification runs from 2019 to 2029.¹² However, SBA records show Hawaii Pacific Foundation may be concurrently operating a second 8(a) participant, Echelon Xcelerate JV, LLC, (UEI: CAH3LMXZ8TS7), which has an active 8(a) certification from 2024 to 2026 and claims the same primary NAICS code.¹³ *It appears Hawaii Pacific Foundation is operating at least two 8(a) subsidiaries with the same primary NAICS code at the same time, in potential violation of SBA's rules.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the DOT immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 693JK423C500009, and any other 8(a) award made by the DOT to Echelon Services, LLC, (UEI: V6WFXPAQNYC7), and the network of Hawaii Pacific Foundation subsidiaries it may be connected to;¹⁵

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$2.1 million. DOT, 693JK4 OST., Contract No. 693JK423C500009, Award to Echelon Services, LLC (UEI: V6WFXPAQNYC7) (Aug. 16, 2023), *available at* <https://sam.gov/workspace/contract/award/view/693JK423C500009?agencyID=6901&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_693JK423C500009_6901_-NONE_-NONE- (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Echelon Services LLC*, *available at* <https://search.certifications.sba.gov/profile/V6WFXPAQNYC7/7XWP4?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Echelon Xcelerate JV LLC*, *available at* <https://search.certifications.sba.gov/profile/CAH3LMXZ8TS7/8UX17?page=1> (last accessed Nov. 18, 2025).

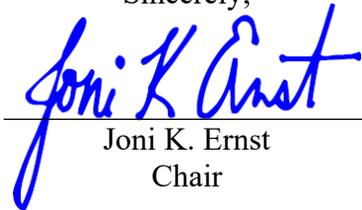
¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Echelon Services LLC*, *available at* <https://www.usaspending.gov/recipient/7c15ae44-0a7a-b287-d880-77e4e6b3bc29-C/latest> (last accessed Nov. 18, 2025).

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
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SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Michael Rigas
Acting Administrator
U.S. General Services Administration
1800 F Street, NW
Washington, D.C. 20405

Dear Acting Administrator Rigas,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

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² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the General Services Administration (GSA) awarded approximately \$335.7 million through the 8(a) program, including \$278.3 million in total 8(a) sole-source dollars and \$57.4

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered Forge Group, LLC, (UEI: K7W9V9X38N45), received a \$5.2 million contract (PIID: 47HAA021C0004) on September 22, 2021.¹¹ Records indicate a sub-award obligation of \$3.13 million, constituting *more than 51 percent* of prime award obligations.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that GSA immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine for potential fraud the individual contract, PIID: 47HAA021C0004, and any other 8(a) award made by the GSA to Forge Group, LLC, (UEI: K7W9V9X38N45), or any of its affiliates, if applicable;¹³
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;

⁹ GSA, SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the outlayed amount on this contract is \$3.6 million and the obligated amount on this contract is \$5.2 million. The sub-award history indicated on this contract award profile indicates three sub-award transactions for total sub-award obligations constituting 60.6 percent of the prime award obligations going to non-8(a) subcontractor Java Productions Inc. GSA., Off. of Internal Acq., Contract No. 47HAA021C0004, Award to Forge Group LLC (UEI: K7W9V9X38N45) (Sept. 22, 2021), *available at* <https://sam.gov/workspace/contract/award/view/47HAA021C0004?agencyID=4773&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* https://www.usaspending.gov/award/CONT_AWD_47HAA021C0004_4773_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001, (Sept. 27, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/a22768b8-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published>. (last accessed Nov. 17, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001 (Sept. 30, 2021), *available at* <https://sam.gov/workspace/contract/subcontract/a2276624-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001 (Sept. 30, 2021), *available at* <https://sam.gov/workspace/contract/subcontract/a2276cf0-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* 15 U.S.C. 657(s).

¹² *Id.*

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Forge Group LLC*, *available at* <https://www.usaspending.gov/recipient/6f3912a6-154c-0b61-08cb-5af84d50a60c-C/latest> (last accessed Nov. 18, 2025).

¹⁴ 13 C.F.R. §124

Acting Administrator Rigas

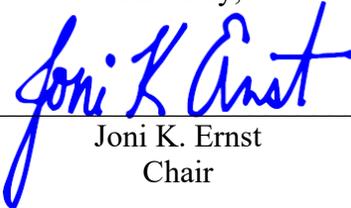
December 8, 2025

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3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁵ *Id.*

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Lee Zeldin
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20004

Dear Administrator Zeldin,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms.

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.⁹

My investigation discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹⁰ Records indicate a sub-award obligation of \$1.16 million, constituting *nearly 80 percent* of prime award obligations.¹¹ This is just one example, from one agency, illustrating potential anomalies warranting further scrutiny. Across government, billions of dollars in 8(a) contracts are awarded annually.¹² In FY 24, the Environmental Protection Agency (EPA) awarded approximately \$53.2 million through the 8(a) program, including \$31.6 million in total 8(a) sole-source dollars and \$21.6 million in total 8(a) set-aside dollars.¹³

In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the EPA immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

⁹ The rule establishes that the limitations on subcontracting is measured according to "the amount paid by the government to it to firms that are not similarly situated." 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes "the amount paid...", this requires access to individual contracting files that are not readily accessible.

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at*

<https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at*

https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetricis-2032H523C0041, (July 17, 2023), *available at*

<https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹¹ *Id.*

¹² U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹³ *Id.*

¹⁴ 13 C.F.R. §124

¹⁵ *Id.*

Administrator Zeldin

December 8, 2025

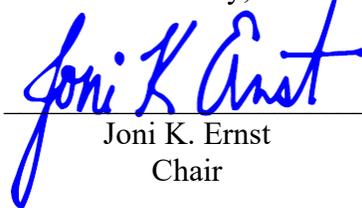
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offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Michael Rigas
Acting Administrator
U.S. General Services Administration
1800 F Street, NW
Washington, D.C. 20405

Dear Acting Administrator Rigas,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the General Services Administration (GSA) awarded approximately \$335.7 million through the 8(a) program, including \$278.3 million in total 8(a) sole-source dollars and \$57.4

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered Forge Group, LLC, (UEI: K7W9V9X38N45), received a \$5.2 million contract (PIID: 47HAA021C0004) on September 22, 2021.¹¹ Records indicate a sub-award obligation of \$3.13 million, constituting *more than 51 percent* of prime award obligations.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that GSA immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine for potential fraud the individual contract, PIID: 47HAA021C0004, and any other 8(a) award made by the GSA to Forge Group, LLC, (UEI: K7W9V9X38N45), or any of its affiliates, if applicable;¹³
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;

⁹ GSA, SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the outlayed amount on this contract is \$3.6 million and the obligated amount on this contract is \$5.2 million. The sub-award history indicated on this contract award profile indicates three sub-award transactions for total sub-award obligations constituting 60.6 percent of the prime award obligations going to non-8(a) subcontractor Java Productions Inc. GSA., Off. of Internal Acq., Contract No. 47HAA021C0004, Award to Forge Group LLC (UEI: K7W9V9X38N45) (Sept. 22, 2021), *available at* <https://sam.gov/workspace/contract/award/view/47HAA021C0004?agencyID=4773&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* https://www.usaspending.gov/award/CONT_AWD_47HAA021C0004_4773_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001, (Sept. 27, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/a22768b8-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published>. (last accessed Nov. 17, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001 (Sept. 30, 2021), *available at* <https://sam.gov/workspace/contract/subcontract/a2276624-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* Java Productions Inc., Subcontract ID 21-JAVA-001 (Sept. 30, 2021), *available at* <https://sam.gov/workspace/contract/subcontract/a2276cf0-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* 15 U.S.C. 657(s).

¹² *Id.*

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Forge Group LLC*, *available at* <https://www.usaspending.gov/recipient/6f3912a6-154c-0b61-08cb-5af84d50a60c-C/latest> (last accessed Nov. 18, 2025).

¹⁴ 13 C.F.R. §124

Acting Administrator Rigas

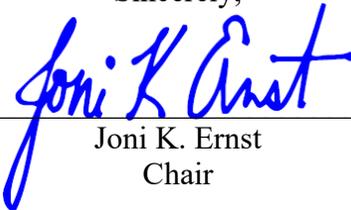
December 8, 2025

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3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁵ *Id.*

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Robert F. Kennedy, Jr.
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Kennedy,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Health and Human Services (HHS) awarded approximately \$1.2 billion through the 8(a) program, including \$904.4 million in total 8(a) sole-source dollars and

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

\$366.4 million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Systems Intelligence, LLC, (UEI: EDL1ZNGUV8Y9), was awarded a \$4.3 million 8(a) sole-source contract (PIID: 75H71123P00661) on September 23, 2023.¹¹ Systems Intelligence, LLC, is a subsidiary of the ANC, NANA Regional Corporation. It lists its primary NAICS code as 561210, “Facilities Support Services,” and its 8(a) certification period runs from 2022 to 2031.¹² However, SBA records reveal NANA Regional Corporation is concurrently operating another subsidiary, Akima Facilities Operations, LLC, (UEI: K218AKKG7SH6), which is participating in the 8 (a) program between 2018 and 2028 under the same primary NAICS code.¹³ *It appears NANA Regional Corporation is operating at least two 8(a) subsidiaries in the same primary NAICs code at the same time, in potential violation of SBA’s rules.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the HHS immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 75H71123P00661, and any other 8(a) award made by the HHS to Systems Intelligence, LLC, (UEI: EDL1ZNGUV8Y9), and the network of NANA Regional Corporation subsidiaries it may be connected to;¹⁵

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$4.3 million. HHS, OK City Area Indian Health Serv., Contract No. 75H71123P00661, Award to Systems Intelligence LLC (UEI: EDL1ZNGUV8Y9) (Sept. 23, 2023), *available at* <https://sam.gov/workspace/contract/award/view/75H71123P00661?agencyID=7527&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_75H71123P00661_7527_-NONE_-NONE- (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Systems Intelligence LLC*, *available at*

<https://search.certifications.sba.gov/profile/EDL1ZNGUV8Y9/7WU36?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Akima Facilities Operations LLC*, *available at*

<https://search.certifications.sba.gov/profile/K218AKKG7SH6/7W2N1?page=1> (last accessed Nov. 18, 2025).

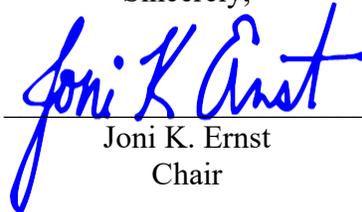
¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Systems Intelligence LLC*, *available at* <https://www.usaspending.gov/recipient/1dc50ce1-d988-8c0c-32e0-0f2e5ef8bee1-C/latest> (last accessed Nov. 18, 2025).

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Scott Turner
Secretary
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, D.C. 20410

Dear Secretary Turner,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Housing and Urban Development (HUD) awarded approximately \$110.3 million through the 8(a) program, including \$80.5 million in total 8(a) sole-source dollars

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

and \$29.8 million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered Systems Intelligence, LLC, (UEI: EDL1ZNGUV8Y9), was awarded a \$3.2 million 8(a) sole-source contract (PIID: 86615323C00022) on August 9, 2023.¹¹ Systems Intelligence, LLC, is a subsidiary of the ANC, NANA Regional Corporation. It lists its primary NAICS code as 561210, "Facilities Support Services," and its 8(a) certification period runs from 2022 to 2031.¹² However, SBA records show NANA Regional Corporation is concurrently operating a second 8(a) participant, Akima Facilities Operations, LLC, (UEI: K218AKKG7SH6), with an active 8(a) certification from 2018 to 2028 under the same primary NAICS code.¹³ *It appears NANA Regional Corporation is operating at least two 8(a) subsidiaries with the same primary NAICS code simultaneously, potentially in violation of SBA rules.*¹⁴ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the HUD immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 86615323C00022, and any other 8(a) award made by the HUD to Systems Intelligence, LLC, (UEI: EDL1ZNGUV8Y9), and the network of NANA Regional Corporation subsidiaries it may be connected to;¹⁵

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$1.8 million. HUD, CPO: IT Program Support Div., Contract No. 86615323C00022, Award to Systems Intelligence, LLC (UEI: EDL1ZNGUV8Y9) (Aug. 9, 2023), *available at* <https://sam.gov/workspace/contract/award/view/86615323C00022?agencyID=8600&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_86615323C00022_8600_-NONE_-NONE- (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Systems Intelligence LLC*, *available at* <https://search.certifications.sba.gov/profile/EDL1ZNGUV8Y9/7WU36?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Akima Facilities Operations LLC*, *available at* <https://search.certifications.sba.gov/profile/K218AKKG7SH6/7W2N1?page=1> (last accessed Nov. 18, 2025).

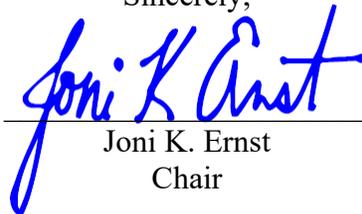
¹⁴ 13 C.F.R. § 124.109(c)(3)(ii).

¹⁵ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Systems Intelligence LLC*, *available at* <https://www.usaspending.gov/recipient/1dc50ce1-d988-8c0c-32e0-0f2e5ef8bee1-C/latest> (last accessed Nov. 18, 2025).

2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁶ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ 13 C.F.R. §124

¹⁷ *Id.*

JONI ERNST, IOWA, CHAIR
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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Sean Duffy
Acting Administrator
National Aeronautics and Space Administration
300 E Street, SW
Washington, D.C. 20546

Dear Acting Administrator Duffy,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the National Aeronautics and Space Administration (NASA) awarded approximately \$526.2 million through the 8(a) program, this includes \$22.6 million in total 8(a) sole-source

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

dollars and \$503.6 million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules protects competition, ensuring no undue or disproportionate advantage is afforded to a single entity. Under Small Business Administration (SBA) rules, an Alaska Native Corporation (ANC) may have only one 8(a) participant in a primary North American Industry Classification System (NAICS) code at a time and must wait two years after that participant exits the program before establishing a new subsidiary with the same code.¹⁰

Through my investigation, I discovered ARS Aleut Construction, LLC, (ARS Aleut) (UEI: QKFQREKB75F6), received a \$1.1 million order on an 8(a) multiple award contract (PIID: 80KSC024FA124) on September 6, 2024.¹¹ ARS Aleut is a subsidiary of the ANC, the Aleut Corporation. It lists its primary NAICS code as 236220, “Commercial and Institutional Building Construction,” and its 8(a) certification period runs from April 11, 2017, to 2027.¹² However, SBA records show the Aleut Corporation currently operates 8(a) participant Aleut Construction LLC, (UEI: DUFMB3P6RGB9), which shares the same active 8(a) certification dates, April 11, 2017, to 2027, and claims the same primary NAICS code.¹³ The Aleut Corporation also operated Aleut Field Services LLC, (UEI: EBN9VABZ8KF1), under the same NAICS code, with overlapping 8(a) participation between 2015 and 2021.¹⁴ *It appears the Aleut Corporation is operating several 8(a) subsidiaries with the same primary NAICS code at the same time, potentially violating SBA’s rules.*¹⁵ In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that NASA immediately pause all 8(a) sole-source contracting. I also request that your agency:

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ 13 C.F.R. § 124.109(c)(3)(ii). There are nuances, but this is the general rule.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$1.1 million. NASA, NASA Kennedy Space Ctr., Contract No. 80KSC024FA124, Award to ARS Aleut Construction, LLC (UEI: QKFQREKB75F6) (Sept. 6, 2024), *available at* <https://sam.gov/workspace/contract/award/view/80KSC024FA124?agencyID=8000&modNumber=0&transactionNumber=0&refIdvPiid=80KSC021DA005&idvAgencyID=8000&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_80KSC024FA124_8000_80KSC021DA005_8000 (last accessed Nov. 18, 2025).

¹² SBA, SMALL BUSINESS SEARCH, *Aleut Construction LLC*, *available at* <https://search.certifications.sba.gov/profile/QKFQREKB75F6/8CK94?page=1> (last accessed Nov. 18, 2025).

¹³ SBA, SMALL BUSINESS SEARCH, *Aleut Construction LLC*, *available at* <https://search.certifications.sba.gov/profile/DUFMB3P6RGB9/7QHU9?page=1> (last accessed Nov. 20, 2025).

¹⁴ SBA, SMALL BUSINESS SEARCH, *Aleut Field Services LLC*, *available at* <https://search.certifications.sba.gov/profile/EBN9VABZ8KF1/7SM00?page=1> (last accessed Nov. 18, 2025).

¹⁵ 13 C.F.R. § 124.109(c)(3)(ii).

1. Examine for potential fraud the individual contract, PIID: 80KSC024FA124, and any other 8(a) award made by NASA to ARS Aleut (UEI: QKFQREKB75F6), and the network of The Aleut Corporation subsidiaries it may be connected to;¹⁶
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁷ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁸ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁶ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Aleut Construction LLC*, available at <https://www.usaspending.gov/recipient/cb2bf127-e4eb-0988-d4f1-52724d1a0eff-C/latest> (last accessed Nov. 18, 2025).

¹⁷ 13 C.F.R. §124

¹⁸ *Id.*

JONI ERNST, IOWA, CHAIR
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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
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December 8, 2025

The Honorable Carrie M. Safford
Secretary
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

Dear Secretary Safford,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goals from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

I am investigating the 8(a) program to ensure that 8(a) rules are not being sidestepped. Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

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prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.⁹

Through my investigation, I discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹⁰ Records indicate a sub-award obligation of \$1.16 million, constituting *nearly 80 percent* of prime award obligations.¹¹ This is just one example, from one agency, illustrating potential anomalies that warrant further scrutiny. Across government, billions of dollars in 8(a) contracts are awarded annually.¹² In FY 24, the Nuclear Regulatory Commission awarded approximately \$17.1 million through the 8(a) program.¹³

In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the NRC immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

⁹ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

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https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetricis-2032H523C00041, (July 17, 2023), *available at*

<https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹¹ *Id.*

¹² U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹³ *Id.*

¹⁴ 13 C.F.R. §124

¹⁵ *Id.*

Secretary Safford,
December 8, 2025
Page 4 of 4

offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Brian Stone
Acting Director
National Science Foundation
2415 Eisenhower Avenue
Alexandria, VA 22314

Dear Acting Director Stone,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

I am investigating the 8(a) program to ensure that 8(a) rules are not being sidestepped. Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

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Through my investigation, I discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹⁰ Records indicate a sub-award obligation of \$1.16 million, constituting *nearly 80 percent* of prime award obligations.¹¹ This is just one example, from one agency, illustrating potential anomalies that could warrant further scrutiny. Across government, billions of dollars in 8(a) contracts are awarded annually.¹² In FY 24, the National Science Foundation (NSF) awarded approximately \$57.6 million through the 8(a) program, which includes \$52.7 million in total 8(a) sole-source dollars and \$4.9 million in total 8(a) set-aside dollars.¹³

In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the NSF immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

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¹³ *Id.*

¹⁴ 13 C.F.R. §124

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offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Scott Kupor
Director
U.S. Office of Personnel Management
1900 E Street, NW
Washington, D.C. 20415

Dear Director Kupor,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
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While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

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act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

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prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.⁹

Through my investigation, I discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹⁰ Records indicate a sub-award obligation of \$1.16 million, constituting *nearly 80 percent* of prime award obligations.¹¹ This is just one example, from one agency, illustrating potential anomalies that could warrant further scrutiny. Across government, billions of dollars in 8(a) contracts are awarded annually.¹² In FY 24, the Office of Personnel Management awarded approximately \$38.9 million through the 8(a) program, including \$17.4 million in total 8(a) sole-source dollars and \$21.5 million in total 8(a) set-aside dollars.¹³

In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the OPM immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

⁹ The rule establishes that the limitations on subcontracting is measured according to "the amount paid by the government to it to firms that are not similarly situated." 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes "the amount paid...", this requires access to individual contracting files that are not readily accessible.

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at*

<https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at*

https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetricis-2032H523C00041, (July 17, 2023), *available at*

<https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹¹ *Id.*

¹² U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹³ *Id.*

¹⁴ 13 C.F.R. §124

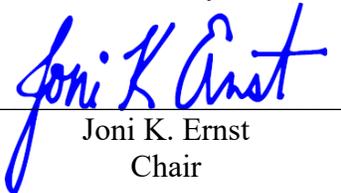
¹⁵ *Id.*

offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

JAMES E. RISCH, IDAHO	MARIA CANTWELL, WASHINGTON
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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Frank J. Bisignano
Commissioner
Social Security Administration
6401 Security Boulevard
Baltimore, MD 21244

Dear Commissioner Bisignano,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms.

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

Subcontracting limitations require a small business prime contractor to perform at least 50 percent of the work on a service contract.⁹

Through my investigation, I discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹⁰ Records indicate a sub-award obligation of \$1.16 million, constituting nearly 80 percent of prime award obligations.¹¹ This is just one example, from one agency, illustrating potential anomalies that could warrant further scrutiny. Across government, billions of dollars in 8(a) contracts are awarded annually.¹² In FY 24, the Social Security Administration (SSA) awarded approximately \$19.8 million through the 8(a) program, including \$9.7 million in total 8(a) sole-source dollars and \$10.1 million in total 8(a) set-aside dollars.¹³

In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the SSA immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential

⁹ The rule establishes that the limitations on subcontracting is measured according to "the amount paid by the government to it to firms that are not similarly situated." 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes "the amount paid...", this requires access to individual contracting files that are not readily accessible.

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at*

<https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at*

https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetrics-2032H523C00041, (July 17, 2023), *available at*

<https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹¹ *Id.*

¹² U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹³ *Id.*

¹⁴ 13 C.F.R. §124

¹⁵ *Id.*

Commissioner Bisignano

December 8, 2025

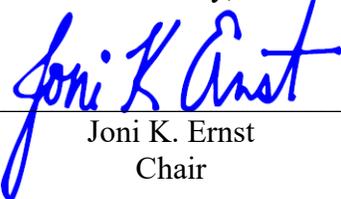
Page 4 of 4

offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Marco Rubio
Secretary
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20451

Dear Secretary Rubio,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of State (State Department) awarded approximately \$630 million through the 8(a) program, this includes \$504 million in total 8(a) sole-source dollars and \$126

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small-business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered Cherokee Nation System Solutions, LLC, (UEI: FMWVU3EYSVF7), received a \$1.1 million delivery order on an 8(a) sole-source contract vehicle (PIID: 19AQMM22F4087).¹¹ Records indicate a sub-award obligation of \$823,330, constituting *over 75 percent* of prime award obligations. In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the State Department immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud the individual contract, PIID: 19AQMM22F4087, and any other 8(a) award made by the DOS to Cherokee Nation System Solutions, LLC, (UEI: FMWVU3EYSVF7), and the network of subsidiaries it may be connected to;¹²
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹³ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the outlayed amount on this contract is \$720,173 and the obligated amount on this contract is \$1.1 million. The sub-award history indicated on this contract award profile indicates two sub-award transactions in differing amounts to the same non-8(a) subcontractor DOTTS GROUP LLC. This constitutes approximately 66 percent of the outlayed amount, or 76 percent of total prime award obligations going to non-8(a) subcontractors. DOS, Acq. – AQM Momentum, Contract No. 19AQMM22F4087, Award to Cherokee Nation Systems Solutions LLC (UEI: FMWVU3EYSVF7) (Sept. 23, 2022), *available at* <https://sam.gov/workspace/contract/award/view/19AQMM22F4087?agencyID=1900&modNumber=0&transactionNumber=0&refIdvPiid=19AQMM20D0126&idvAgencyID=1900&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_19AQMM22F4087_1900_19AQMM20D0126_1900 (last accessed Nov. 17, 2025); *see also* DOTTS GROUP LLC, Subcontract ID 32700-0133, (Dec. 16, 2022), *available at* <https://sam.gov/workspace/contract/subcontract/a038a936-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* DOTTS GROUP LLC, Subcontract ID 32700-0133, (Dec. 16, 2022), *available at* <https://sam.gov/workspace/contract/subcontract/a038ac60-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 17, 2025); *see also* 15 U.S.C. 657(s).

¹² TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Cherokee Nation System Solutions LLC*, *available at* <https://www.usaspending.gov/recipient/6c0b9afa-897b-2d84-f27a-801d255c174f-C/latest> (last accessed Nov. 17, 2025).

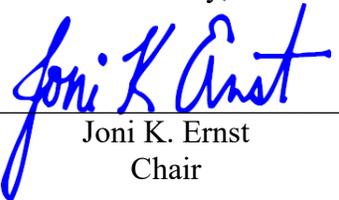
¹³ *Id.*

Secretary Rubio
December 8, 2025
Page 4 of 4

3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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RAND PAUL, KENTUCKY
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MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Bessent,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse at the Small Business Administration (SBA) and across the federal government. I commend your swift and decisive action to eradicate fraud. First, by promptly suspending ATI Government Solutions and investigating its approximately \$253 million in Treasury-administered contracts.¹ Second, by launching a broader investigation into the potential misuse of all of the preference-based small business contracting programs, including the 8(a) program.² I look forward to learning more about your efforts to establish a lasting, zero-tolerance culture within the Department of the Treasury (Treasury) for any misconduct attempting to rig the system against honest competitors.

It is obvious that the Biden Administration's indifference toward meaningful oversight in the 8(a) program allowed swindlers and fraudsters to treat federal contracting programs like personal piggy banks. The SBA's 8(a) Program is the largest set-aside program at the agency, which oversaw more than \$25 billion in 8(a) set-aside contract awards in fiscal year 2024 (FY 24) alone.³ Despite decades of audits and investigations by oversight bodies, including the Government Accountability Office (GAO), the SBA's Inspector General, and DOJ, have documented the same troubling patterns: sloppy oversight and weak enforcement measures that allow 8(a) participants to act as pass-through entities and obtain unlimited no-bid awards with

¹ Scott Bessent (@SecScottBessent), X (Oct. 22, 2025, at 9:13 p.m. ET), <https://x.com/SecScottBessent/status/1981167068692025455>.

² Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), available at <https://home.treasury.gov/news/press-releases/sb0309>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

little transparency.⁴ Each loophole further erodes public trust and undermines businesses' ability to compete on the merits.

When the Biden Administration tripled the 8(a) contracting goals from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, it was not until the Trump Administration that we saw swift and decisive actions to curb the use of these contracts and thoroughly review to ensure compliance with the law.⁶

In FY 24, Treasury awarded approximately \$612.6 million through the 8(a) program, including \$541.6 million in total 8(a) sole-source dollars and \$72 million in total 8(a) set-aside dollars.⁷ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small-business prime contractor to perform at least 50 percent of the work on a service contract.⁸

My ongoing 8(a) program investigation has identified a troubling fact pattern that has emerged within the Internal Revenue Service (IRS), specifically within the IT Strategy and Modernization

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaids-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>.

⁷ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

⁸ The rule establishes that the limitations on subcontracting is measured according to "the amount paid by the government to it to firms that are not similarly situated." 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes "the amount paid...", this requires access to individual contracting files that are not readily accessible.

contracting office. This same office, implicated in the CJF investigation, was found to have awarded ATI its potentially fraudulent multi-million-dollar 8(a) contracts.⁹

On July 14, 2023, the IRS's IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041).¹⁰ Celeen LLC, is an 8(a) subsidiary of the Pequot Company, the holding company for the Mashantucket Pequot Tribal Nation.¹¹ Records indicate a sub-award obligation of \$1.16 million, constituting *nearly 80 percent* of prime award obligations for this contract.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the Treasury immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine for potential fraud in this contract, PIID: 2032H523C00041, awarded to Celeen LLC, (UEI: FD9WGFKHHRL4), and the network of Pequot Company subsidiaries it may be connected to;¹³

⁹ TREAS., IRS IT Strategy & Modernization, Contract No. 2032H524F00235, Award to ATI Government Solutions (UEI: C1ZKDAS18FJ3) (Apr. 12, 2024), *available at* <https://sam.gov/workspace/contract/award/view/2032H524F00235?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=47QTCB21D0299&idvAgencyID=4732&contractType=AWARD> (last accessed Nov. 19, 2025); *see also*

https://www.usaspending.gov/award/CONT_AWD_2032H524F00235_2050_47QTCB21D0299_4732.

¹⁰ USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at*

<https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetrics-2032H523C0041, (July 17, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹¹ Command Holdings a Pequot Company, *Our Companies: Operating Group Companies* (last accessed Nov. 18, 2025), *available at* <https://commandholdingspqt.com/our-companies-2/> (last accessed Nov. 18, 2025).

¹² USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at*

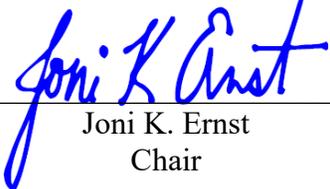
<https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetrics-2032H523C0041, (July 17, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Celeen LLC*, *available at* <https://www.usaspending.gov/recipient/87406e58-043b-e4ad-82be-edae669109a0-C/latest> (last accessed Nov. 18, 2025).

2. As part of your ongoing investigation into the small business preference-based contracting programs, fully examine:
 - a. The totality of sole-source 8(a) contracts that have been awarded by your agency since FY20 for any violation of the law or regulation pertaining to 8(a) program eligibility and responsibilities,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or illegal activity;
 - b. The totality of 8(a) set-aside contracts that have been awarded by your agency since FY20 for any violation of the law or regulation pertaining to 8(a) program eligibility and responsibilities,¹⁵ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or illegal activity; and
3. Promptly inform the Committee of any findings on or before December 22, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

¹⁴ 13 C.F.R. §124

¹⁵ *Id.*

JONI ERNST, IOWA, CHAIR
EDWARD J. MARKEY, MASSACHUSETTS, RANKING MEMBER

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JON HUSTED, OHIO	

MEREDITH WEST, REPUBLICAN STAFF DIRECTOR
SEAN MOORE, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
TELEPHONE: (202) 224-5175

December 8, 2025

The Honorable Brooke L. Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, D.C. 20250

Dear Secretary Rollins,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the United States Department of Agriculture (USDA) awarded approximately \$385.4 million through the 8(a) program; this includes \$252.5 million in total 8(a) sole-source dollars

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

and \$133 million in total 8(a) set-aside dollars.⁹ I am investigating the 8(a) program to ensure that 8(a) rules are not being sidestepped. Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. The limitations on subcontracting require that a small business prime contractor perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered Softrams, LLC, (UEI: P4X8JNU7TMQ7), received a \$318,566 8(a) sole-source contract (PIID: 12314422C0045) on June 29, 2022.¹¹ Records indicate a sub-award obligation of \$175,210, constituting *more than 51 percent* of prime award obligations.¹² Accordingly, I respectfully request that the USDA immediately pause all 8(a) sole-source contracting. I also request that your agency:

1. Examine for potential fraud the individual contract, PIID: 12314422C0045, and any other 8(a) award made by the USDA to Softrams, LLC (UEI: P4X8JNU7TMQ7) or any of its affiliates, if applicable;¹³
2. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
3. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁵ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to “the amount paid by the government to it to firms that are not similarly situated.” 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes “the amount paid...”, this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the outlayed and obligated amounts on this contract are both \$318,566. The sub-award history indicated on this contract award profile indicates one sub-award transaction for a total sub-award obligations constituting 55 percent of the prime award obligations going to non-8(a) subcontractor Tactical Digital Corporation. USDA., OCP-POD-ACQ-MGMT-BRANCH-FTC., Contract No. 12314422C0045, Award to Softrams, LLC (UEI: P4X8JNU7TMQ7) (June. 29, 2022), *available at* <https://sam.gov/workspace/contract/award/view/12314422C0045?agencyID=1205&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 21, 2025); *see also* https://www.usaspending.gov/award/CONT_AWD_12314422C0045_1205_-NONE_-NONE- (last accessed Nov. 21, 2025); *see also* Tactical Digital Corporation., Subcontract ID 12314422C0045-001, (Jul. 1, 2022), *available at* <https://www.usaspending.gov/recipient/032a0d60-c2bc-9e9b-abe5-d6e488d48084-C/latest> (last accessed Nov. 21, 2025); *see also* 15 U.S.C. 657(s).

¹² *Id.*

¹³ TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *Recipient Profile Softrams LLC*, (Nov.25, 2025), *available at* <https://www.usaspending.gov/recipient/032a0d60-c2bc-9e9b-abe5-d6e488d48084-C/latest>.

¹⁴ 13 C.F.R. § 124

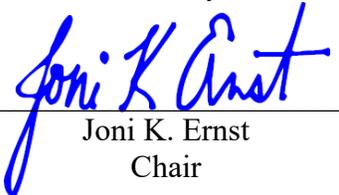
¹⁵ *Id.*

Secretary Rollins
December 8, 2025
Page 4 of 4

4. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 8, 2025.

Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair

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United States Senate
COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
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December 8, 2025

The Honorable Douglas A. Collins
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, D.C. 20420

Dear Secretary Collins,

As Chair of the U.S. Senate Committee on Small Business and Entrepreneurship, a top priority of mine is rooting out waste, fraud, and abuse within Small Business Administration (SBA) programs and across the federal government.

Unfortunately, the 8(a) program's no-bid, unlimited sole-source contracts are a fraud magnet:

- The Department of Justice (DOJ) recently exposed a years-long fraud and bribery scheme involving a former United States Agency for International Development (USAID) contracting officer and two 8(a) contractors;¹
- The Citizen Journalism Foundation (CJF) blew the lid off a “\$100 billion federal contracting scam” allegedly perpetrated by ATI Government Solutions (ATI).²

While there’s no doubt that the Biden Administration’s indifference toward 8(a) program integrity enabled swindlers and fraudsters to treat federal contracting programs like personal piggy banks, 8(a) program flaws have raised alarm bells for decades.

The SBA’s 8(a) program is the largest set-aside program at the agency, which dished out \$25 billion in 8(a) set-aside contract awards during fiscal year 2024 (FY 24) alone.³ Yet decades of Government Accountability Office (GAO), SBA’s Office of Inspector General, and DOJ probes expose the same rot. Sloppy oversight and weak enforcement measures allow 8(a) participants to

¹ Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), available at <https://www.justice.gov/opa/pr/usaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

² James O’Keefe (@JamesOKeefeIII), X (Oct. 20, 2025, at 2:44 PM ET), <https://x.com/JamesOKeefeIII/status/1980344367014429114>.

³ SBA, *Scorecard Details*, (July 14, 2025), available at <https://www.sba.gov/federal-contracting/contracting-data/small-business-procurement-scorecard/scorecard-details>.

act as pass-through entities, snagging unlimited no-bid deals with little transparency.⁴ Every loophole guts public trust and rigs the system against honest competitors.

When the Biden Administration tripled the 8(a) contracting goal from 5 percent to 15 percent, I sounded the alarm on the obvious potential for fraud and abuse, ripe for exploitation by wrongdoers seeking to snatch a government-sanctioned windfall.⁵ Unfortunately, swift and decisive actions to curb the use of these contracts and a thorough review of each award to ensure compliance with the law did not occur until the Trump Administration.⁶ Within a day of the CJF investigation becoming public, SBA Administrator Loeffler launched an investigation into ATI and its CEO, suspended the company and three of its executives, and recently uncovered and suspended seven additional potentially problematic companies.⁷ Soon thereafter, the Treasury Department announced a comprehensive audit of 8(a) contract awards totaling approximately \$9 billion.⁸

In FY 24, the Department of Veterans Affairs (VA) awarded approximately \$11.5 million through the 8(a) program, which includes \$10.3 million in total 8(a) sole-source dollars and \$1.2

⁴ The GAO, OIG, and DOJ have undertaken various examinations of the 8(a) program since its inception. Some of these reports include: GAO, GAO-22-105567, DOD SMALL BUSINESS CONTRACTING: USE OF SOLE-SOURCE 8(A) CONTRACTS OVER \$22 MILLION HAS INCREASED (Mar. 28, 2022), *available at* <https://www.gao.gov/products/gao-22-105567>; *see also* GAO, GAO-16-113, ALASKA NATIVE CORPORATIONS: OVERSIGHT WEAKNESSES CONTINUE TO LIMIT SBA'S ABILITY TO MONITOR COMPLIANCE WITH 8(A) PROGRAM REQUIREMENTS (Mar. 21, 2016), *available at* <https://www.gao.gov/products/gao-16-113>; *see also* GAO, GAO-14-706, SUBCONTRACTING LIMITATIONS: CONTINUED NONCOMPLIANCE WITH MONITORING REQUIREMENTS SIGNALS NEED FOR REGULATORY CHANGE (Sep. 16, 2014), *available at* <https://www.gao.gov/products/gao-14-706>; *see also* OIG REPORT 18-22, IMPROVEMENTS NEEDED IN SBA'S OVERSIGHT OF 8(A) CONTINUING ELIGIBILITY PROCESSES (Sept. 7, 2018), *available at* <https://www.sba.gov/document/report-18-22-improvements-needed-sbas-oversight-8a-continuing-eligibility-processes>; *see also* Press Release, DOJ, *USAID Official and Three Corporate Executives Plead Guilty to Decade-Long Bribery Scheme Involving Over \$550 Million in Contracts; Two Companies Admit Criminal Liability for Bribery Scheme and Securities Fraud*, (June 12, 2025), *available at* <https://www.justice.gov/opa/pr/usaaid-official-and-three-corporate-executives-plead-guilty-decade-long-bribery-scheme>.

⁵ The White House, *FACT SHEET: Biden-Harris Administration Announces Reforms to Increase Equity and Level the Playing Field for Underserved Small Business Owners*, (Dec. 2, 2021), *available at* <https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/12/02/fact-sheet-biden-harris-administration-announces-reforms-to-increase-equity-and-level-the-playing-field-for-underserved-small-business-owners/>.

⁶ Press Release, SBA, *Administrator Loeffler Orders Full-Scale Audit of 8(a) Contracting Program*, (June 27, 2025), *available at* <https://www.sba.gov/article/2025/06/27/administrator-loeffler-orders-full-scale-audit-8a-contracting-program>; *see also* Press Release, SBA, *SBA Issues Letter of Warning to Federal Contracting Officers*, (July 29, 2025), *available at* <https://www.sba.gov/article/2025/07/29/sba-issues-letter-warning-federal-contracting-officers>; *see also* Press Release, SBA, *SBA Rescinds USAID Contracting Authority Following Massive Bribery Scandal*, (July 30, 2025), *available at* <https://www.sba.gov/article/2025/07/30/sba-rescinds-usaid-contracting-authority-following-massive-bribery-scandal>; *see also* Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

⁷ Kelly Loeffler (@SBA_Kelly), X (Oct. 20, 2025, at 6:18 PM ET), https://x.com/SBA_Kelly/status/1980398153980342614; *see also* Kelly Loeffler (@SBA_Kelly), X (Oct. 22, 2025, at 11:47 AM ET), https://x.com/SBA_Kelly/status/1981024674885566517; *see also* Kelly Loeffler (@SBA_Kelly), X (Nov. 8, 2025, at 12:01 PM ET), https://x.com/SBA_Kelly/status/1987203934591853068?s=20.

⁸ Press Release, TREAS., *Treasury Orders Department-Wide Investigation into Potential Fraud Across Contracting Programs*, (Nov. 6, 2025), *available at* <https://home.treasury.gov/news/press-releases/sb0309>.

million in total 8(a) set-aside dollars.⁹ Compliance with 8(a) program rules, including the limitations on subcontracting, helps prevent prime contractors from acting as pass-throughs or shell companies for ineligible firms. Subcontracting limitations require a small-business prime contractor to perform at least 50 percent of the work on a service contract.¹⁰

Through my investigation, I discovered the Internal Revenue Service's (IRS) IT Strategy and Modernization office awarded Celeen LLC, (UEI: FD9WGFKHHRL4), a \$1.5 million 8(a) sole-source contract (PIID: 2032H523C00041) on July 14, 2023.¹¹ Records indicate a sub-award obligation of \$1.16 million, constituting nearly 80 percent of prime award obligations.¹² In this fight against fraudsters, crooks, and swindlers, the American taxpayers are losing. The public deserves confidence that their hard-earned taxpayer dollars are being rigorously safeguarded and responsibly managed.

Accordingly, I respectfully request that the VA immediately pause all 8(a) sole-source contracting. I also request that your department:

1. Examine all sole-source 8(a) contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹³ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity;
2. Examine all 8(a) set-aside contracts awarded by your agency since FY 20 for any violation of laws and regulations pertaining to 8(a) program eligibility,¹⁴ potential offenses as established in 15 U.S. Code § 645, and any other fraudulent or improper activity; and
3. Promptly inform the Committee, in writing, of your decision to pause all 8(a) sole-source contracting and any findings that your investigation may yield on or before December 22, 2025.

⁹ U.S. GEN. SERVS. ADMIN., SAM.GOV, 8a Sole Source and 8a Competed Contract Obligations by Department FY2024, Award/IDV Information Report, *available at* <https://sam.gov/ADC/servlet/mstrWeb> (last accessed Nov. 10, 2025).

¹⁰ The rule establishes that the limitations on subcontracting is measured according to "the amount paid by the government to it to firms that are not similarly situated." 13 C.F.R. § 125.6; *see also* 15 U.S.C. 657(s). In determining what constitutes "the amount paid...", this requires access to individual contracting files that are not readily accessible.

¹¹ USASpending.gov indicates the obligated amount on this contract is \$1.5 million. TREAS., IRS IT Strategy & Modernization, Contract No. 2032H523C00041, Award to Celeen LLC (UEI: FD9WGFKHHRL4) (July 14, 2023), *available at* <https://sam.gov/workspace/contract/award/view/2032H523C00041?agencyID=2050&modNumber=0&transactionNumber=0&refIdvPiid=null&idvAgencyID=null&contractType=AWARD> (last accessed Nov. 19, 2025); *see also* TREAS., BUREAU OF FISCAL SERVICE, USASPENDING.GOV, *available at* https://www.usaspending.gov/award/CONT_AWD_2032H523C00041_2050_-NONE_-NONE- (last accessed Nov. 18, 2025); *see also* Subcontract ID SC-C0008-Vetrics-2032H523C0041, (July 17, 2023), *available at* <https://sam.gov/workspace/contract/subcontract/a0f92e72-fcb8-11ef-8e2a-e7034f2d18cd/view?status=Published> (last accessed Nov. 18, 2025).

¹² *Id.*

¹³ 13 C.F.R. §124

¹⁴ *Id.*

Secretary Collins
December 8, 2025
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Thank you for your prompt attention to this important matter. If you have any questions, please do not hesitate to contact Meredith West at (202) 224-5175.

Sincerely,



Joni K. Ernst
Chair