

April 19, 2024

The Honorable Isabel Casillas Guzman
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Administrator Guzman:

I write in response to a troubling media report regarding statements from a senior advisor to your chief of staff at the U.S. Small Business Administration (SBA).¹ The senior advisor indicates you and your team are participating in politically motivated travel with taxpayer dollars and hiding controversial small business policy decisions from members of Congress.²

The senior advisor claims you are “the most traveled member of the cabinet” and that your official travel is purposefully targeted to “indirectly campaign for Joe Biden” in a way that attempts to circumvent the Hatch Act.³ Using taxpayer dollars in an attempt to engage in federal campaign activities is a gross abuse of official agency resources and needs to be further investigated. Your alleged travel is particularly questionable in light of the SBA’s recent announcement that it finalized the agency’s “first-ever voter registration agreement with Michigan Department of State.”⁴

The SBA’s mission is to aid the interests of small businesses, not to swing votes.⁵ What value is it to America’s small business owners when the SBA spends taxpayer dollars to create new marketing materials, use official social media, and buy new signage at SBA offices and events throughout the country in order to promote voter registration?

While you have been off traveling, I am left wondering who is running the agency. During your tenure, the SBA has published several controversial rules, including loosening the 7(a) loan guarantee underwriting standards and allowing new lenders without sufficient capital to participate in SBA’s traditional loan partnership programs.⁶

Further, I am deeply concerned about allegations you have lacked candor in your testimony to Congress. President Biden’s FY25 budget request suggests you have been

¹ [Statements of Tyler Robinson, Special Advisor to the Chief of Staff of Administrator Isabel Casillas Guzman](#), O’Keefe Media, April 17, 2024.

² Id.

³ Id.

⁴ [“SBA Administrator Guzman Announces Agency’s First-Ever Voter Registration Agreement with Michigan Department of State.”](#) U.S. Small Business Administration, March 19, 2024.

⁵ [“History and role of SBA.”](#) U.S. Small Business Administration.

⁶ Reosti, John. [“SBA forges ahead with Funding Circle license despite pushback.”](#) American Banker, April 4, 2024.

contemplating directly competing with private banks to make small dollar loans. However, the senior advisor in the media report describes how you are trying to avoid talking about your secretive plans to restart a direct lending program when testifying under oath before Congress. As you know, the Clinton administration stopped the direct lending program because of mounting loan losses footed by the taxpayer. During your appearance in front of this Committee on March 20, 2024, you directly stated you are not going to restart direct lending without additional congressional authority.⁷ However, this media report seems to suggest you and your team continue to try to find ways to restart this flawed program.

To that end, I respectfully request you provide my office with the following no later than May 3, 2024:

1. Provide the calendar and records of your travel from March 17, 2021, to the date of your response to this letter for all events that included members of Congress. Please provide all invited attendees as well as confirmed attendees.
2. Provide all internal memos and email communications from all political appointee staff, the Office of General Counsel, and communications to and from you and Deputy Administrator Syed, regarding the policy decision to restart a 7(a) direct lending program.
3. Provide all documents and communications between or among the White House and Administrator Guzman regarding the Administrator's travel.
4. Provide all documents and communications referring or related to the Hatch Act.

Sincerely,



Joni K. Ernst
Ranking Member

CC: The Honorable Hampton Dellinger, Special Counsel, U.S. Office of Special Counsel,
The Honorable Hannibal "Mike" Ware, Inspector General, U.S. Small Business Administration

⁷ Senator Joni Ernst. "[Press Release: Ernst Slams Biden's SBA for Requesting More Money While Failing to Protect Taxpayers](#)," March 20, 2024.