

119TH CONGRESS
1ST SESSION

S. 3173

To prohibit the Small Business Administration from awarding sole source contracts until the Administration conducts a full audit of and submits to Congress a report on the business development program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 10, 2025

Ms. ERNST introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To prohibit the Small Business Administration from awarding sole source contracts until the Administration conducts a full audit of and submits to Congress a report on the business development program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop 8(a) Contracting
5 Fraud Act”.

6 **SEC. 2. MORATORIUM ON SOLE SOURCE CONTRACTS.**

7 (a) DEFINITIONS.—In this section—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively; and

4 (2) the term “Deputy Administrator” means
5 the Deputy Administrator of the Administration.

6 (b) MORATORIUM.—The Administration may not
7 award sole source contracts under section 8(a)(16) of the
8 Small Business Act (15 U.S.C. 637(a)(16)) during the pe-
9 riod beginning on the date of enactment of this Act and
10 ending on the date on which the Administration—

11 (1) completes the audit of the business develop-
12 ment program under such section 8(a) ordered to be
13 conducted by the Administrator on June 27, 2025;
14 and

15 (2) submits to the Committee on Small Busi-
16 ness and Entrepreneurship of the Senate and the
17 Committee on Small Business of the House of Rep-
18 resentatives a report that includes the findings of
19 the audit described in paragraph (1).

20 (c) WAIVER.—

21 (1) IN GENERAL.—If a contracting officer de-
22 termines that it is in the interest of national security
23 to conduct a sole source contract under section 8(a)
24 of the Small Business Act (15 U.S.C. 637(a)), the

1 contracting officer may seek a waiver of the morato-
2 rium under subparagraph (b).

3 (2) SUBMISSION OF REQUEST.—

4 (A) IN GENERAL.—

5 (i) SUBMISSION TO HEAD ACQUISI-
6 TION OFFICER.—The contracting officer
7 may submit a request for a waiver to the
8 head acquisition officer (or equivalent) for
9 the agency of the contracting officer.

10 (ii) SUBMISSION TO ADMINIS-
11 TRATOR.—Following approval of a submis-
12 sion under clause (i), the head acquisition
13 officer (or equivalent) shall submit the re-
14 quest for a waiver to the Administrator or
15 Deputy Administrator.

16 (B) CONTENTS OF REQUEST.—A request
17 for a waiver submitted under subparagraph (A)
18 shall include a justification explaining—

19 (i) the reason the use of the waiver
20 authority is imperative for national secu-
21 rity purposes; and

22 (ii) the reason the work cannot be
23 performed by any other small business con-
24 cern.

25 (C) FORM OF REQUEST AND APPROVAL.—

1 (i) REQUEST.—The justification re-
2 quired under subparagraph (B) shall be
3 submitted in writing.

4 (ii) APPROVAL.—The Administrator
5 or Deputy Administrator may approve a
6 request for a waiver.

7 (3) NONDELEGATION.—The waiver authority
8 established under paragraph (1) may not be dele-
9 gated.

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