

**H.R. 5424, THE MAIN STREET COMPETES ACT;
H.R. 5265, THE SBA RURAL PERFORMANCE
ACT; H.R. 5425, TO AMEND THE SMALL BUSI-
NESS ACT; H.R. 5426, TO REQUIRE THE ADMIN-
ISTRATOR OF THE SBA TO PROVIDE A LINK
TO RESOURCES FOR SUBMITTING REPORTS
ON SUSPECTED FRAUD RELATING TO CERTAIN
COVID-19 LOANS; H.R. 5427, TO PROHIBIT
INDIVIDUALS CONVICTED OF DEFRAUDING THE
GOVERNMENT FROM RECEIVING ANY ASSIST-
ANCE FROM THE SBA**

HEARING

BEFORE THE

**COMMITTEE ON SMALL BUSINESS
UNITED STATES**

**HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTEENTH CONGRESS**

FIRST SESSION

HEARING HELD
SEPTEMBER 14, 2023



Small Business Committee Document Number 118-025
Available via the GPO Website: www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE

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CONTENTS

OPENING STATEMENTS

Hon. Roger Williams	Page 1
Nydia Velázquez	2

APPENDIX

Additional Material for the Record:

H.R. 5424, The Main Street Competes Act (To Amend the Small Business Economic Policy Act of 1980 to Examine how the Competitiveness of Small Businesses is Affected by the Enforcement of Federal Antitrust Laws, and for other purposes)	22
H.R. 5265, The Small Business Administration Rural Performance Act	28
H.R. 5425, To Amend the Small Business Act to Enhance the Office of Rural Affairs, and for other purposes	33
H.R. 5426, To Require the Administrator of the Small Business Administration to Provide a Link to Resources for Submitting Reports on Suspected Fraud Relating to Certain COVID-19 Loans	39
H.R. 5427, To Prohibit Individuals Convicted of Defrauding the Government from Receiving any Assistance from the Small Business Administration, and for other purposes	41
Minority Views - H.R. 5424, The Main Street Competes Act	45
Minority Views - H.R. 5265, Small Business Administration Rural Performance Report Act	46
Minority Views - H.R. 5425, To amend the Small Business Act to enhance the Office of Rural Affairs	47
Minority Views - H.R. 5426, Require SBA to Provide an Online Method for Submitting Report on Suspected Fraud Relating to Certain COVID-19 Loans	48
Minority Views - H.R. 5427, A bill to prohibit individuals convicted of defrauding the Government from receiving non-disaster financial assistance from the Small Business Administration	50
The Main Street Competition Coalition	52

**MARKUP OF: H.R. 5424, THE MAIN STREET
COMPETES ACT (TO AMEND THE SMALL
BUSINESS ECONOMIC POLICY ACT OF 1980
TO EXAMINE HOW THE COMPETITIVENESS
OF SMALL BUSINESSES IS AFFECTED BY
THE ENFORCEMENT OF FEDERAL ANTI-
TRUST LAWS, AND FOR OTHER PURPOSES);
H.R. 5265, THE SMALL BUSINESS ADMINIS-
TRATION RURAL PERFORMANCE ACT; H.R.
5425, TO AMEND THE SMALL BUSINESS ACT
TO ENHANCE THE OFFICE OF RURAL AF-
FAIRS, AND FOR OTHER PURPOSES; H.R.
5426, TO REQUIRE THE ADMINISTRATOR OF
THE SMALL BUSINESS ADMINISTRATION TO
PROVIDE A LINK TO RESOURCES FOR SUB-
MITTING REPORTS ON SUSPECTED FRAUD
RELATING TO CERTAIN COVID-19 LOANS;
H.R. 5427, TO PROHIBIT INDIVIDUALS CON-
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FROM THE SMALL BUSINESS ADMINISTRA-
TION, AND FOR OTHER PURPOSES**

THURSDAY, SEPTEMBER 14, 2023

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,

Washington, DC.

The Committee met, pursuant to call, at 9:45 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Luetkemeyer, Stauber, Meuser, Van Duyne, Salazar, Mann, Ellzey, Molinaro, Alford, Crane, Bean, LaLota, Velázquez, Golden, Phillips, Landsman, McGarvey, Gluesenkamp Perez, Scholten, Thanedar, Chu, Davids, and Pappas.

Chairman WILLIAMS. The Committee will now come to order, and a quorum is present.

Without objection, the Chair is authorized to declare a recess of the Committee at any time.

As required by House rules, a copy of the legislative measures have been made available to Members and the public at least 24 hours in advance. And pursuant to Committee Rule 13 and House Rule 11, all votes will be rolled to the end of the meeting.

I now recognize myself for opening remarks.

To put it lightly, small business across the country have faced underserved hardship for quite some time now thanks to the Biden administration's misguided economic policies. It is the responsibility of this Committee to be main street's voice in Congress, and that is exactly what we are here to do today.

Small businesses are the engines of our economy, and we need to produce policies that will help them, not regulate them into oblivion like this administration is doing.

All the bills before us today have been a result of our past hearings and oversight efforts from this Committee. I am proud that we are finding solutions to hold the criminals accountable who took advantage of small business lending programs during the pandemic and making it easier for any American to report COVID fraud. While our work is far from over, it is good to see us bringing new ideas to the table that can help Main Street America.

Additionally, I am grateful for my colleagues who have brought forward bills that address the unique challenges faced by rural entrepreneurs. Many of us here on the Committee continually hear from the constituents that they did not even know resources were available to them in rural areas.

While I am glad to see these bills being marked up today, I was hoping we would be marking up a bill to put guardrails back on the SBA's flagship 7(a) lending program. Staff from both sides have been working diligently through this complicated issue, and I am hopeful that we will be able to come to an agreement soon that guarantees the longevity of the 7(a) program, safeguards the taxpayer from being exposed to unnecessary risk, and ensures the SBA remains the lender of last resort so it will not compete with the private sector.

In closing, I want to thank our Members for bringing these bills up. They represent the work we do as a Committee on behalf of our nation's entrepreneurs and innovators. I would also like to thank the Ranking Member and her staff for working with us to produce bipartisan solutions for main street.

With that, I look forward to today's markup. I yield to the distinguished Ranking Member from New York, Ms. Velázquez, for her opening statement.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. And thank you for holding this markup today. As always, I am committed to working in a bipartisan manner to enact legislation that assists small businesses, as well as conduct rigorous oversight of SBA programs. I appreciate Chairman Williams and his staff for their willingness to work with us to bridge our differences on these bills.

Two of the bills we are considering today will review and enhance the Office of Rural Affairs. Two other bills will put protocols in place to combat pandemic fraud, and one will reaffirm

Congress's commitment to fostering competition in the marketplace to help small businesses grow and prosper.

I am very pleased that we are considering legislation to enhance the Office of Rural Affairs, and I commend Mr. Golden for identifying the shortcomings of the office which had laid dormant for years. Mr. Golden worked tirelessly with both administrations to make sure the office is actively helping rural small businesses deal with the challenges facing them today. And I thank Mr. Alford for his effort to strengthen services for rural businesses as well.

Over the past 3 years, this Committee has played an integral role in examining the pandemic relief programs which helped millions of small businesses stay afloat in unprecedented times. However, we have learned through our oversight hearings that organized criminal syndicates and transnational gangs targeted these programs and stole billions of dollars. Two of the bills under consideration today will take steps to combat this fraud. We must acknowledge though that they are not silver bullets and more will need to be done. The single most important action we can take to aid the SBA inspector general in their investigative work is to support their requests for additional funding. Anything less would cripple the office and hinder the IG's effort to go after these bad actors.

I look forward to working with the Chairman in our oversight role and hope we can work together to provide them with the resources they need in the next fiscal year.

Thank you, and I yield back.

Chairman WILLIAMS. Does any other Member seek recognition for the purpose of making an opening statement?

Okay. Seeing none, we will now move to the consideration of the first bill.

H.R. 5424

The first bill we will mark up is H.R. 5424, the Main Street Competes Act introduced by Representative Scholten and Vice Chairman Luetkemeyer.

Before recognizing other Members for statements, I ask unanimous consent for a statement from the bill's cosponsor Vice Chairman Luetkemeyer to be entered into the record.

Without objection, so ordered.

I now recognize the bill's sponsor, Ms. Scholten, for an opening statement.

Ms. SCHOLTEN. Thank you so much. I am really excited to introduce this bill today. When I wanted to serve on the House Small Business Committee it was in large part to champion the thriving main streets that once existed across towns like Grand Rapids, Michigan; Muskegon; and that are still up and coming like in Muskegon Heights in West Michigan in my state.

This bill will provide much needed oversight to ensure that small businesses that make our main streets thriving centers of community cohesion have what they need to succeed and compete. I am looking forward to the markup today and ask all of my colleagues to join me in supporting this important bill.

With that, I yield back the remainder of my time.

Chairman WILLIAMS. Are there any other Members who wish to be recognized for a statement on this bill?

Okay. I now recognize Ranking Member Velázquez for remarks. Ms. VELAZQUEZ. Thank you, Mr. Chairman.

A competitive business environment is the lifeblood of a thriving free enterprise economy, spurring innovation, driving productivity, and fostering consumer choice at fair prices. Unfortunately, competition has been eroded for decades due to increasing concentration across many industries. Our nation's antitrust laws were crafted over the past century to safeguard the competitive landscape for small businesses. But the limited usage since the late 1970s has allowed many companies to acquire an ever-increasing market share and exploit small businesses along the way. Whether it is small farms and ranchers contending with seed fertilizer, or meat processing monopolies, or local retailers facing price discrimination because of big box stores, we have seen the way increasing concentration of power impacts the American dream for many small business owners.

I applaud Representative Scholten and Representative Luetkemeyer for working together on the Main Street Competes Act which will work to realign the interests of small businesses and antitrust informing agencies. It requires the Federal Trade Commission and the Department of Justice to report data to the SBA's Office of Advocacy, which can be used to generate the report to Congress on the state of competition in our economy. This will help us have a better understanding of the anticompetitive issues that small firms face and help us reaffirm our commitment to a competitive economy.

Again, I thank both colleagues for their leadership on this issue and I urge my colleagues to support this legislation.

I yield back.

Chairman WILLIAMS. Thank you.

And I now recognize myself to speak in support of this legislation.

The Main Street Competes Act will ensure small businesses are able to compete in the marketplace against larger businesses. Competition is a key tenet of capitalism. It allows consumers to choose with their dollars between businesses that will offer the best product, the best price or service. Without appropriate competition, innovation and the U.S. economy will suffer. This bill will ensure the economic mission of the SBA aligns with the reality by explicitly stating that the benefits to the country when small businesses are able to compete and not forced out of business by large monopolies.

Additionally, this bill requires the Department of Justice and the Federal Trade Commission to issue annual reports to the SBA on how antitrust enforcement promoted competition and aided small business in the previous fiscal year. This is a simple bill that requires a report to Congress so we can conduct proper oversight on the impact that the FTC and the DOJ actions have on small businesses.

I urge all my colleagues to support this bill. If there is no further discussion the Committee now moves to consideration of H.R. 5424.

The clerk will report.

The CLERK. H.R. 5424—

Chairman WILLIAMS. Without objection, the first reading of the bill is dispensed with. And without objection, the bill is considered as read and open for amendment.

Do any Members seek recognition for the purpose of offering an amendment?

Okay. Seeing none the question is now on adoption of H.R. 5424 and favorably reporting it to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair the ayes have it, and H.R. 5424 is agreed to and ordered favorably to the house.

Okay. For what purpose do you seek recognition? Do you want to record a vote? Okay.

A recorded vote has been requested, and a roll call vote is ordered.

Pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

H.R. 5425

Next, consideration of H.R. 5425, a bill to amend the Small Business Act to enhance the Office of Rural Affairs, and for other purposes. The next bill we will mark up is a bill to amend the Small Business and Rural Affairs and for other purposes introduced by Representatives Golden and Mann.

I now recognize the bill's sponsor, Mr. Golden, for an opening statement.

Mr. GOLDEN. Thank you, Chairman Williams.

Maine's 2nd District is the second most rural House District in America. Statewide, Maine is home to more than 151,000 small businesses accounting for 99.2 percent of all businesses in the state. It is clear that there is a need in Maine and in every state for tailored support for rural small businesses.

There is an existing office in the SBA that is well suited to address those needs, the Office of Rural Affairs.

The Office of Rural Affairs was created as a subsection of the SBA in 1990 to act as a go-between for rural small businesses in the federal government. Throughout its existence, however, the office has had inconsistent leadership and remained effectively dormant. In 2019, the Trump administration, at the recommendation of this Committee, appointed a deputy administrator for this office. This bill would revitalize the office so it can fulfill its obligation to rural small business owners in three main ways.

First, it would elevate the position of director of Rural Affairs to an assistant administrator to run the office.

Second, it would require the hosting of webinars and outreach events to increase awareness of the office's existence and of resources available to rural small businesses owners.

And third, it would create transparency by mandating an annual report on the activities of the agency to ensure that the office works effectively to achieve its goals.

It has been over 30 years since Congress established the Office of Rural Affairs, which was intended to give small businesses in rural America a seat at the table. This bill is a step in the right direction to put SBA in alignment with congressional intent.

I would like to thank Congresswoman Tenney, Congressman Mann, Congressman Pappas, the Chairman, the Ranking Member, and their staff for working with me to support the Office of Rural Affairs. And I yield back.

Chairman WILLIAMS. I now recognize Mr. Pappas for an opening statement.

Mr. PAPPAS. Thank you very much, Mr. Chairman.

I want to thank Congressman Golden for his leadership on this bipartisan legislation which will ensure that our rural small businesses know about the tools that are available to them. The legislation will help rural entrepreneurs by expanding the reach and stature of the Office of Rural Affairs at SBA so they can receive the support that they need from Washington.

I am also glad to support another bill on the agenda today by Congressman Alford of Missouri, a bill that he introduced to encourage effective cooperation among agencies that support our rural small businesses.

So these bills, along with other efforts that this Committee should continue to focus on, like expanding access to capital for rural job creators will better ensure that the concerns of this sector are heard and more closely considered by SBA.

One in five Americans, including almost half of the residents of my state of New Hampshire live in rural areas, and we know that the small businesses here have unique challenges that they face and are just so crucial to our local economy. So I am glad that the Committee is focused on these efforts about how to help SBA help our rural small businesses and put a focus on their needs and hope that all my colleagues will join us in supporting these bipartisan bills today.

I yield back.

Chairman WILLIAMS. Are there any other Members who wish to be recognized for a statement on this bill?

All right. Seeing none, I would like to recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman. And I am really pleased to support this legislation to enhance the Office of Rural Affairs. And I commend Mr. Goldman for his commitment and dedication to making this office operate more effectively for rural small businesses.

I remember one of our earliest meetings when Mr. Golden joined this Committee where he raised this as one of his top priorities for the Committee because the office has been largely vacant for 15 years. He worked with a group of Members to raise the importance of outreach to rural small all businesses with the previous administration, and they devoted resources to the office. But he did not stop there. Knowing that the office can play an important role in connecting rural Americans to programs and services that can aid their businesses and communities, Mr. Golden has made it his mission to ensure that the office remains active. And today, we are seeing the fruit of his labor.

So Mr. Chairman, I want to thank Mr. Golden and the cosponsor for this bill, and I support the bill. And I yield back my time.

Chairman WILLIAMS. I now recognize Congressman Stauber from Minnesota.

Mr. STAUBER. Thank you, Chairman Williams. I will be real brief.

I support Representative Golden's legislation. I think it is needed. It has been needed for a while. I want to commend my colleague for bringing this forward.

Chairman WILLIAMS. All right. Thank you.

And I now recognize myself to speak in support of this legislation.

This bill seeks to enhance the SBA's Office of Rural Affairs. While this office was created under President Bush, it remained largely vacant until the Trump administration. This bill turns the existing appointed position into an assistant administrator subjected to a competitive hiring process. It also expands the office duties to include performing outreach and webinars to rural entrepreneurs. Finally, it requires the office to report on its activities in the SBA's annual budget justification.

One thing that is abundantly clear; more needs to be done to utilize existing SBA resources to better serve rural entrepreneurs. The Trump administration's partnership between the SBA and the Department of Agriculture was a necessary step. This bill also requires the assistant administrator be hired through the competitive process to depoliticize this office and have the consistency needed to assist rural America.

I urge my colleagues to vote yes.

If there is no further discussion, the Committee now moves to consideration of H.R. 5425, and the clerk will report.

The CLERK. H.R. 5425—

Chairman WILLIAMS. Without objection, the first reading of the bill is dispensed with. And without objection, the bill is considered as read and open for amendment.

Do any Members seek recognition for the purpose of offering an amendment?

Seeing none, the question is now on adoption of H.R. 5425 and favorably reporting it to the house.

All those in favor say aye.

Mr. GOLDEN. Mr. Chair?

Chairman WILLIAMS. Yes?

Mr. GOLDEN. I would like to request a recorded vote.

Chairman WILLIAMS. Okay. Thank you.

The CLERK. Let's do the voice vote first, sir, and then we can do the recorded vote. Thank you.

Chairman WILLIAMS. Okay. All right.

So all those in favor say aye.

All those opposed say no.

Okay. In the opinion of the Chair, the ayes have it.

Mr. GOLDEN. Mr. Chair, request a recorded vote. Thank you.

Chairman WILLIAMS. Okay. A recorded vote has been requested, and a roll call vote is ordered.

Pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

H.R. 5265

The next bill we will mark up is H.R. 5265, the Small Business Administration's Rural Performance Report Act introduced by Representatives Alford, Pappas, Luetkemeyer, Ellzey, and Bean.

I now recognize the bill's sponsor, Mr. Alford, for an opening statement.

Mr. ALFORD. Mr. Chairman, thank you so much. Happy belated birthday to you. Ranking Member, thank you so much.

I am proud to rise today in support of my Bill H.R. 5265, the SBA Rural Performance Report Act. I again want to thank our co-sponsors on this, Mr. Luetkemeyer, Mr. Stauber, Mr. Ellzey, Mr. Bean, and Mr. Pappas.

Look, small business owners face many, many challenges as we all know, and that is especially true in rural areas. I was proud to have Jennifer Cassaday from our district come testify right there at that very desk right there back in July at our Small Business Committee hearing on rural entrepreneurship. And she really shared with us some of the challenges that other small business owners face in these tough times. When we asked the witnesses if they knew about the SBA's Office of Rural of Rural Affairs they all told us, "We have never heard of it." What the office is doing to elevate our rural small businesses is unclear to most Americans. I think maybe it is unclear to most of us on this Committee. However, the Trump administration took action to improve resources for rural businesses, rural entrepreneurs, rural Americans.

Through a memorandum of understanding, the SBA and U.S. Department of AG collaborated to tailor existing resources to these very communities. But not much is still known about the outcomes of this partnership. Ag often goes hand-in-hand with rural small businesses, so it is very important to see what has come of the collaboration between the SBA and USDA. This bill will shed light on SBA's Office of Rural Affairs and MOU so we can better serve our rural small businesses.

I look forward to seeing how impactful this memorandum of understanding was and how we could better utilize these resources to reach our rural entrepreneurs.

We cannot forget about our rural small businesses, Mr. Chairman, and I urge my colleagues to vote yes on this important bill. Thank you, and I yield back, Mr. Chairman.

Chairman WILLIAMS. Thank you very much.

I now recognize Congressman Stauber from the great state of Minnesota.

Mr. STAUBER. Thank you, Mr. Chairman.

I rise today to speak in favor of H.R. 5265, the Small Business Administration Rural Performance Report.

This administration has a blatant disregard for rural America. For an example, in the Infrastructure bill, this president so proudly touts rural America is defined as a population of 200,000 or less. This is so out of touch.

Of 855 cities in Minnesota, only 59 cities even have a population of over 20,000. Under the Infrastructure bill's definition, there are only two cities in the great state of Minnesota that could not apply for these rural grants and that is Minneapolis and St. Paul. And this does not highlight the townships that make up the rural fabric of our state.

My friend and colleague on this Committee, Jared Golden, as well as off-Committee Members Brad Finstad and Derrick Van Orden and myself are looking to right this wrong.

As for the legislation at hand, the Office of Rural Affairs is supposed to play a vital role supporting small businesses in rural America; however, as we heard in this very Committee back in July, the SBA and the ORA have been falling short of their responsibilities as many of our rural small business owners that participated in the hearing were unaware of the services SBA provides.

But truth be told, rural American once again not taking priority does not come as a shock. It is very unfortunate. This legislation would help ensure that the ORA is effectively carrying out its mission and would provide Congress with an ability to evaluate ORA's performance and direct necessary improvements.

I urge my colleagues to support this important legislation as it will help ensure that the SBA is doing everything it can to support small businesses in rural America.

Mr. Chair, I yield back.

Chairman WILLIAMS. Are there any other Members who wish to be recognized for a statement on the bill?

All right. Seeing none I would like to recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

I am pleased to support this legislation offered by Mr. Alford and the other Members who are cosponsors for the bill.

But I would also like to say that we cannot rewrite history here. I was the Chair of this Committee when I spoke with the previous Administrator Carranza with Mr. Golden and asked her to put more resources into the office, which she did. Actually, today, Administrator Guzman has appointed a director for the office. Let me remind you; when it comes to small businesses, there is not a republican or a democratic approach to it. We work in a bipartisan way in this Committee.

So I support the bill and I yield back my time.

Chairman WILLIAMS. Thank you. And I now recognize myself to speak in support of this legislation.

The SBA Rural Performance Report Act will create more transparency between rural small business owners and the SBA's Office of Rural Affairs. Rural entrepreneurs are incredibly important to the communities they serve. Their unique challenges require the entrepreneurial spirit that makes America great. That is why this Committee held a hearing in July to hear directly from rural small business owners.

One thing became particularly clear in the hearing that the SBA's resources are not reaching rural entrepreneurs. The Trump administration recognized this and in 2018, the SBA and the Department of Agriculture entered a partnership to better promote existing resources to rural communities. Unfortunately, this agreement was left to expire earlier this year. While there is anecdotal evidence that this partnership was successful, more detailed information is needed to assess how Congress can improve these agencies' connection with the rural entrepreneurs. This bill will reveal the actual outcomes of the partnership to determine steps moving forward.

Additionally, H.R. 5265 will address the activities of the SBA's Office of Rural Affairs. This office was created under the Bush administration but was largely left vacant until the Trump adminis-

tration appointed a head. The SBA has dedicated outreach efforts through its districts' offices and resource partners and other stakeholders and the Office of Rural Affairs should help guide those resources to rural entrepreneurs. This bill will finally get to the bottom of this office's effectiveness through annual reporting and the SBA's budget justification.

I urge my colleagues to vote yes on H.R. 5265.

If there is no further discussion, the Committee now moves to consider H.R. 5265.

The clerk will report.

The CLERK. H.R. 5265—

Chairman WILLIAMS. Without objection, the first reading of the bill is dispensed with. And without objection, the bill is considered as read and open for amendment.

Do any Members seek recognition for the purpose of offering an amendment?

Seeing none, the question is now on the adoption of H.R. 5265 and favorably reporting it to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it, and H.R. 5265 is agreed to and ordered favorably to the House.

Mr. ALFORD. Mr. Chair?

Chairman WILLIAMS. For what purpose are you to be recognized?

Mr. ALFORD. I call for a roll call vote.

Chairman WILLIAMS. A recorded vote has been requested, and a roll call vote is ordered.

Pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

H.R. 5426

The next bill we will mark up is H.R. 5426, a bill to require the administrator of the SBA to provide a link to resources for submitting reports on suspected fraud relating to certain COVID-19 loans introduced by Representatives Van Duyne and Landsman.

I now recognize the bill's sponsor, Ms. Van Duyne, for an opening statement.

Ms. VAN DUYNE. Thank you very much, Mr. Chairman.

Just 2 months ago, this Committee heard testimony from the SBA Inspector General where he shared that based on their estimates, nearly \$200 billion in potential fraudulent COVID-19 and EIDL loans were disbursed by the SBA during the COVID-19 pandemic. That is money that was stolen from small businesses that were actually in need of help. So I am glad that we are continuing to take steps forward in combatting fraud and legislation such as the bill in front of us that will continue that fight.

This bill would require SBA to provide a direct route to report COVID-19 fraud straight to the OIG rather than having to go through multiple links and websites.

I would also like to thank my friend, Mr. Landsman from Ohio, for joining me on this important issue in helping the SBA IG Office locate these stolen funds and recoup as much of these funds as possible.

I urge all of my colleagues to support this legislation, and I yield back.

Chairman WILLIAMS. Are there any other Members who wish to be recognized for a statement on the bill?

All right. Seeing none, I would like to recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

I want to thank the sponsors for their bipartisanship and efforts on this legislation. I support the bill and I yield back my time.

Chairman WILLIAMS. Thank you.

I now recognize myself to speak in support of this legislation.

I am proud to support H.R. 5426, which will require the SBA to place a visible link on their website to the Office of the Inspector General page where individuals can easily report potentially fraudulent EIDL and PPP loans.

In July, Inspector General Ware testified to this Committee that throughout the COVID-19 pandemic, the SBA distributed more than \$200 billion in potentially fraudulent loans. The inspector general also estimates that it is more than 100 years' worth of work for the SBA to investigate all flags of potential fraud. Some have argued that this bill is redundant but it is necessary to ensure that individuals outside of Washington can easily find where to report suspected fraudulent activity.

In fact, yesterday, our Committee staff tried to go through the SBA's website to see how to report fraud and ran into complications. The "report fraud" link currently on the SBA's website, which is found all the way on the bottom of the webpage takes you to a site that is in Spanish. Further, the link is actually "report fraud" in SBA programs is a paragraph long with multiple links to other sites to report fraud. This bill will ensure that reporting fraud is simply one click away. We have a direct link now upon our Committee website and the SBA should do the same. Reporting fraud to the SBA should be easy for everyday Americans to do. It is a priority of this Committee to recoup as many of these taxpayer dollars as possible in the most timely and efficient manner. H.R. 5426 is a common sense bill that will help individuals easily report suspected fraudulent activity and help the SBA and the OIG to prioritize potentially fraudulent loans to investigate.

To close, I urge my colleagues to support this bill.

If there is no further discussion, the Committee now moves to consideration of H.R. 5426.

The clerk will report.

The CLERK. H.R. 5426—

Chairman WILLIAMS. Without objection, the first reading of the bill is dispensed with. And without objection, the bill is considered as read and open for amendment.

Do any Members seek recognition for the purpose of offering an amendment?

Okay. Seeing none the question is now on adoption of H.R. 5426 and favorably reporting it to the House.

All those in favor say aye.

All those opposed say no.

Ms. VAN DUYNE. Mr. Chairman, I request a recorded vote.

Chairman WILLIAMS. Okay. A recorded vote has been requested, and a roll call vote is ordered.

So pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

H.R. 5427

Now, consideration of H.R. 5427, a bill to prohibit individuals convicted of defrauding the government from receiving any assistance from the Small Business Administration and for other purposes.

This bill was introduced by myself and Mr. Mfume. And I now recognize myself as the bill's sponsor for an opening statement.

When the COVID-19 pandemic hit America, the SBA took on an outside role in helping save our small businesses. Providing our job creators with loans was incredibly important in saving many businesses, but there were a few guardrails which led to some amounts of fraud. One of the main goals of this Committee during this Congress has been to hold fraudsters accountable. This bill provides common sense accountability by ensuring that people who abused SBA's loan programs are no longer eligible for financial assistance from the SBA. This Committee has held several hearings in investigating the \$200 billion in fraud through the pandemic relief programs, and this important legislation will hold those responsible and accountable for their actions. There is no doubt there is more work to be done but this bill is a great step in the right direction to get where we need to be.

Are there any other Members who wish to be recognized for a statement on this bill?

All right. Seeing none, I would like to recognize the Ranking Member to speak on the bill.

Ms. VELAZQUEZ. Thank you. And I want to thank you, Mr. Chairman, and Mr. Mfume for this bipartisan effort, very important legislation. I support the bill, and I yield back.

Chairman WILLIAMS. Thank you.

I now recognize Mr. Stauber from Minnesota.

Mr. STAUBER. Thank you, Mr. Chairman. I rise today to speak in favor of H.R. 5427, legislation that would ensure that criminals are prevented from taking advantage of the taxpayers.

In Minnesota, 60 people have been charged in a massive \$250 million fraud scheme that exploited a federally funded nutrition program during the COVID-19 shutdowns. These criminals sought to enrich themselves buying luxury cars and homes while families struggled to feed their children.

H.R. 5427 is common sense. It is simply wrong that criminals who are convicted of defrauding the government can then turn around and receive once again taxpayer funded assistance from the SBA. Our government should not be in the business of rewarding criminals.

I urge my colleagues to support this legislation. It is the right thing to do to protect the integrity of the Small Business Administration and to ensure that taxpayer dollars are used wisely. And I yield back.

Chairman WILLIAMS. Thank you, Mr. Stauber.

I once again urge my colleagues to support this bill.

If there is no further discussion, the Committee now moves to consideration of H.R. 5427.

The Clerk will report.

The CLERK. H.R. 5427, to——

Chairman WILLIAMS. Without objection, the first reading of the bill is dispensed with. And without objection, the bill is considered as read and open for amendment.

Do any Members seek recognition for the purpose of offering an amendment?

Seeing none, the question is now on adoption of H.R. 5427 and favorably reporting it to the House.

All those in favor say aye.

All those opposed say no.

In the opinion of the Chair, the ayes have it.

And H.R. 5427 is agreed to and ordered favorably to the House.

Mr. STAUBER. Mr. Chair?

Chairman WILLIAMS. What do you seek recognition for?

Mr. STAUBER. Mr. Chair, I request a recorded vote.

Chairman WILLIAMS. Okay. A recorded vote has been requested and a roll call vote is ordered.

So pursuant to Committee Rule 13 and House Rule 11, further proceedings on the bill are postponed.

The Committee now stands in recess subsequent to the call of the Chair. We will resume later today at 11:30.

[Recess]

Chairman WILLIAMS. Okay. The Committee will come to order.

The Committee will now resume consideration of the bills on which roll call votes were requested and postponed.

We will start with H.R. 5424. The question now is on adopting H.R. 5424 and ordering it favorably to the House.

The clerk will call the roll.

The CLERK. Mr. Luetkemeyer?

Mr. LUETKEMEYER. Yes.

The CLERK. Mr. Luetkemeyer votes aye.

Mr. Stauber?

Mr. STAUBER. Aye.

The CLERK. Mr. Stauber votes aye.

Mr. Meuser?

Mr. MEUSER. Aye.

The CLERK. Mr. Meuser votes aye.

Ms. Van Duyne?

Ms. VAN DUYNE. Aye.

The CLERK. Ms. Van Duyne votes aye.

Ms. Salazar?

Ms. SALAZAR. Aye.

The CLERK. Ms. Salazar votes aye.

Mr. Mann?

Mr. MANN. Aye.

The CLERK. Mr. Mann votes aye.

Mr. Ellzey?

Mr. Molinaro?

Mr. MOLINARO. Aye.

The CLERK. Mr. Molinaro votes aye.

Mr. Alford?

Mr. ALFORD. Aye.
 The CLERK. Mr. Alford votes aye.
 Mr. Crane?
 Mr. CRANE. Aye.
 The CLERK. Mr. Crane votes aye.
 Mr. Bean?
 Mr. BEAN. Aye.
 The CLERK. Mr. Bean votes aye.
 Mr. Hunt?
 Mr. LaLota?
 Mr. Golden?
 Mr. GOLDEN. Yes.
 The CLERK. Mr. Golden votes aye.
 Mr. Mfume?
 Mr. Phillips?
 Mr. PHILLIPS. Phillips votes aye.
 The CLERK. Mr. Phillips votes aye.
 Mr. Landsman?
 Mr. LANDSMAN. Yes.
 The CLERK. Mr. Landsman votes aye.
 Mr. McGarvey?
 Mr. MCGARVEY. Aye.
 The CLERK. Mr. McGarvey votes aye.
 Ms. Gluesenkamp Perez?
 Ms. GLUESENKAMP PEREZ. Yes.
 The CLERK. Gluesenkamp Perez votes aye.
 Ms. Scholten?
 Ms. SCHOLTEN. Yes.
 The CLERK. Ms. Scholten votes aye.
 Mr. Thanadar?
 Mr. THANADAR. Aye.
 The CLERK. Mr. Thanadar votes aye.
 Ms. Chu?
 Ms. CHU. Aye.
 The CLERK. Ms. Chu votes aye.
 Ms. Davids?
 Ms. DAVIDS. Aye.
 The CLERK. Ms. Davids votes aye.
 Mr. Pappas?
 Mr. PAPPAS. Aye.
 The CLERK. Mr. Pappas votes aye.
 Ranking Member Velázquez?
 Ms. VELAZQUEZ. Aye.
 The CLERK. Ranking Member Velázquez votes aye.
 Chairman Williams?
 Chairman WILLIAMS. Aye.
 The CLERK. Chairman Williams votes aye.
 Chairman WILLIAMS. Are there any other Members who have not voted or wish to change their vote?
 All right. Seeing none, the clerk will report.
 The CLERK. Mr. Chairman, on that vote 22 ayes, 0 nays, and 0 present.
 Chairman WILLIAMS. Okay. The motion is agreed to and H.R. 5424 is adopted and will be reported favorably to the House.

The question now is on adopting H.R. 5425 and ordering it favorably to be reported to the House.

The clerk will call the roll.

The CLERK. Mr. Luetkemeyer?

Mr. LUETKEMEYER. Aye.

The CLERK. Mr. Luetkemeyer votes aye.

Mr. Stauber?

Mr. STAUBER. Aye.

The CLERK. Mr. Stauber votes aye.

Mr. Meuser?

Mr. MEUSER. Aye.

The CLERK. Mr. Meuser votes aye.

Ms. Van Duyne?

Ms. VAN DUYNE. Aye.

The CLERK. Ms. Van Duyne votes aye.

Ms. Salazar?

Ms. SALAZAR. Aye.

The CLERK. Ms. Salazar votes aye.

Mr. Mann?

Mr. MANN. Aye.

The CLERK. Mr. Mann votes aye.

Mr. Ellzey?

Mr. Molinaro?

Mr. MOLINARO. Aye.

The CLERK. Mr. Molinaro votes aye.

Mr. Alford?

Mr. ALFORD. Aye.

The CLERK. Mr. Alford votes aye.

Mr. Crane?

Mr. CRANE. Aye.

The CLERK. Mr. Crane votes aye.

Mr. Bean?

Mr. BEAN. Aye.

The CLERK. Mr. Bean votes aye.

Mr. Hunt?

Mr. LaLota?

Mr. Golden?

Mr. GOLDEN. Yes.

The CLERK. Mr. Golden votes aye.

Mr. Mfume?

Mr. Phillips?

Mr. PHILLIPS. Phillips votes aye.

The CLERK. Mr. Phillips votes aye.

Mr. Landsman?

Mr. LANDSMAN. Yes.

The CLERK. Mr. Landsman votes aye.

Mr. McGarvey?

Mr. MCGARVEY. Aye.

The CLERK. Mr. McGarvey votes aye.

Ms. Gluesenkamp Perez?

Ms. GLUESENKAMP PEREZ. Yes.

The CLERK. Gluesenkamp Perez votes aye.

Ms. Scholten?

Ms. SCHOLTEN. Yes.

The CLERK. Ms. Scholten votes aye.
 Mr. Thanadar?
 Mr. THANADAR. Aye.
 The CLERK. Mr. Thanadar votes aye.
 Ms. Chu?
 Ms. CHU. Aye.
 The CLERK. Ms. Chu votes aye.
 Ms. Davids?
 Ms. DAVIDS. Aye.
 The CLERK. Ms. Davids votes aye.
 Mr. Pappas?
 Mr. PAPPAS. Aye.
 The CLERK. Mr. Pappas votes aye.
 Ranking Member Velázquez?
 Ms. VELAZQUEZ. Aye.
 The CLERK. Ranking Member Velázquez votes aye.
 Chairman Williams?
 Chairman WILLIAMS. Aye.
 The CLERK. Chairman Williams votes aye.
 Chairman WILLIAMS. Are there any other Members who have not voted or wish to change their vote?
 All right. Seeing none, the clerk will report.
 The CLERK. Mr. Chairman, on that vote 22 ayes, 0 nays, and 0 present.
 Chairman WILLIAMS. Okay. The motion is agreed to and H.R. 5425 is adopted and will be reported favorably to the House.
 The question now is on adopting H.R. 5265 and ordering it favorably to be reported to the House.
 The clerk will call the roll.
 The CLERK. Mr. Luetkemeyer?
 Mr. LUETKEMEYER. Aye.
 The CLERK. Mr. Luetkemeyer votes aye.
 Mr. Stauber?
 Mr. STAUBER. Aye.
 The CLERK. Mr. Stauber votes aye.
 Mr. Meuser?
 Ms. Van Duyne?
 Ms. VAN DUYNÉ. Aye.
 The CLERK. Ms. Van Duyne votes aye.
 Ms. Salazar?
 Ms. SALAZAR. Aye.
 The CLERK. Ms. Salazar votes aye.
 Mr. Mann?
 Mr. MANN. Aye.
 The CLERK. Mr. Mann votes aye.
 Mr. Ellzey?
 Mr. Molinaro?
 Mr. Alford?
 Mr. ALFORD. Aye.
 The CLERK. Mr. Alford votes aye.
 Mr. Crane?
 Mr. CRANE. Aye.
 The CLERK. Mr. Crane votes aye.
 Mr. Bean?

Mr. BEAN. Aye.
 The CLERK. Mr. Bean votes aye.
 Mr. Hunt?
 Mr. LaLota?
 Mr. Golden?
 Mr. GOLDEN. Yes.
 The CLERK. Mr. Golden votes aye.
 Mr. Mfume?
 Mr. Phillips?
 Mr. PHILLIPS. Phillips votes aye.
 The CLERK. Mr. Phillips votes aye.
 Mr. Landsman?
 Mr. LANDSMAN. Yes.
 The CLERK. Mr. Landsman votes aye.
 Mr. McGarvey?
 Mr. MCGARVEY. Aye.
 The CLERK. Mr. McGarvey votes aye.
 Ms. Gluesenkamp Perez?
 Ms. GLUESENKAMP PEREZ. Yes.
 The CLERK. Gluesenkamp Perez votes aye.
 Ms. Scholten?
 Ms. SCHOLTEN. Yes.
 The CLERK. Ms. Scholten votes aye.
 Mr. Thanadar?
 Mr. THANADAR. Aye.
 The CLERK. Mr. Thanadar votes aye.
 Ms. Chu?
 Ms. CHU. Aye.
 The CLERK. Ms. Chu votes aye.
 Ms. Davids?
 Ms. DAVIDS. Aye.
 The CLERK. Ms. Davids votes aye.
 Mr. Pappas?
 Mr. PAPPAS. Aye.
 The CLERK. Mr. Pappas votes aye.
 Ranking Member Velázquez?
 Ms. VELAZQUEZ. Aye.
 The CLERK. Ranking Member Velázquez votes aye.
 Chairman Williams?
 Chairman WILLIAMS. Aye.
 The CLERK. Chairman Williams votes aye.
 Chairman WILLIAMS. Are there any other Members who have not voted or wish to change their vote?
 Mr. MEUSER. Mr. Chairman?
 Chairman WILLIAMS. Recognition?
 Mr. MEUSER. How was my vote recorded?
 The CLERK. Mr. Chairman, on that vote Mr. Meuser is not recorded as a vote.
 Mr. MEUSER. I vote aye.
 The CLERK. Mr. Meuser votes aye.
 Mr. MOLINARO. Mr. Chairman?
 Chairman WILLIAMS. Mr. Molinaro?
 Mr. MOLINARO. Thank you, Mr. Chairman.
 How was my vote recorded?

The CLERK. Mr. Chairman, Mr. Molinaro is not recorded for a vote.

Mr. MOLINARO. I vote aye.

The CLERK. Mr. Molinaro votes aye.

Chairman WILLIAMS. Okay. Are there any others that want to change?

All right. Seeing none, hearing none, the motion is agreed to and—the clerk will report. I am sorry.

The CLERK. Mr. Chairman, on that vote 22 ayes, 0 nays, and 0 present.

Chairman WILLIAMS. Okay. The motion is agreed to and H.R. 5265 is adopted and will be reported favorably to the House.

The question now is on adopting H.R. 5426 and ordering it favorably to be reported to the House.

The clerk will call the roll.

The CLERK. Mr. Luetkemeyer?

Mr. LUETKEMEYER. Aye.

The CLERK. Mr. Luetkemeyer votes aye.

Mr. Stauber?

Mr. STAUBER. Aye.

The CLERK. Mr. Stauber votes aye.

Mr. Meuser?

Mr. MEUSER. Aye.

The CLERK. Mr. Meuser votes aye.

Ms. Van Duyne?

Ms. VAN DUYNÉ. Aye.

The CLERK. Ms. Van Duyne votes aye.

Ms. Salazar?

Ms. SALAZAR. Aye.

The CLERK. Ms. Salazar votes aye.

Mr. Mann?

Mr. MANN. Aye.

The CLERK. Mr. Mann votes aye.

Mr. Ellzey?

Mr. Molinaro?

Mr. MOLINARO. Aye.

The CLERK. Mr. Molinaro votes aye.

Mr. Alford?

Mr. ALFORD. Aye.

The CLERK. Mr. Alford votes aye.

Mr. Crane?

Mr. CRANE. Aye.

The CLERK. Mr. Crane votes aye.

Mr. Bean?

Mr. BEAN. Aye.

The CLERK. Mr. Bean votes aye.

Mr. Hunt?

Mr. LaLota?

Mr. Golden?

Mr. GOLDEN. Yes.

The CLERK. Mr. Golden votes aye.

Mr. Mfume?

Mr. Phillips?

Mr. PHILLIPS. Phillips votes aye.

The CLERK. Mr. Phillips votes aye.
 Mr. Landsman?
 Mr. LANDSMAN. Yes.
 The CLERK. Mr. Landsman votes aye.
 Mr. McGarvey?
 Mr. MCGARVEY. Aye.
 The CLERK. Mr. McGarvey votes aye.
 Ms. Gluesenkamp Perez?
 Ms. GLUESENKAMP PEREZ. Aye.
 The CLERK. Gluesenkamp Perez votes aye.
 Ms. Scholten?
 Ms. SCHOLTEN. Yes.
 The CLERK. Ms. Scholten votes aye.
 Mr. Thanadar?
 Mr. THANADAR. Aye.
 The CLERK. Mr. Thanadar votes aye.
 Ms. Chu?
 Ms. CHU. Aye.
 The CLERK. Ms. Chu votes aye.
 Ms. Davids?
 Ms. DAVIDS. Aye.
 The CLERK. Ms. Davids votes aye.
 Mr. Pappas?
 Mr. PAPPAS. Aye.
 The CLERK. Mr. Pappas votes aye.
 Ranking Member Velázquez?
 Ms. VELAZQUEZ. Aye.
 The CLERK. Ranking Member Velázquez votes aye.
 Mr. Chairman?
 Chairman WILLIAMS. Aye.
 The CLERK. Mr. Chairman votes aye.
 Chairman WILLIAMS. If there any other Members who have not
 voted or wish to change their vote?
 Okay. Seeing none, the clerk will report.
 The CLERK. Mr. Chairman, on that vote 22 ayes, 0 nays, and
 0 present.
 Chairman WILLIAMS. And H.R. 5426 is adopted and will be re-
 ported favorably to the House.
 So on our last one today, the question now is on adopting H.R.
 5427 and ordering it favorably to the House.
 The clerk will call the roll.
 The CLERK. Mr. Luetkemeyer?
 Mr. LUETKEMEYER. Aye.
 The CLERK. Mr. Luetkemeyer votes aye.
 Mr. Stauber?
 Mr. STAUBER. Aye.
 The CLERK. Mr. Stauber votes aye.
 Mr. Meuser?
 Mr. MEUSER. Aye.
 The CLERK. Mr. Meuser votes aye.
 Ms. Van Duyne?
 Ms. VAN DUYNE. Aye.
 The CLERK. Ms. Van Duyne votes aye.
 Ms. Salazar?

Ms. SALAZAR. Aye.
The CLERK. Ms. Salazar votes aye.
Mr. Mann?
Mr. MANN. Aye.
The CLERK. Mr. Mann votes aye.
Mr. Ellzey?
Mr. Molinaro?
Mr. MOLINARO. Aye.
The CLERK. Mr. Molinaro votes aye.
Mr. Alford?
Mr. ALFORD. Aye.
The CLERK. Mr. Alford votes aye.
Mr. Crane?
Mr. CRANE. Aye.
The CLERK. Mr. Crane votes aye.
Mr. Bean?
Mr. BEAN. Aye.
The CLERK. Mr. Bean votes aye.
Mr. Hunt?
Mr. LaLota?
Mr. Golden?
Mr. GOLDEN. Yes.
The CLERK. Mr. Golden votes aye.
Mr. Mfume?
Mr. Phillips?
Mr. PHILLIPS. Phillips votes aye.
The CLERK. Mr. Phillips votes aye.
Mr. Landsman?
Mr. LANDSMAN. Yes.
The CLERK. Mr. Landsman votes aye.
Mr. McGarvey?
Mr. MCGARVEY. Aye.
The CLERK. Mr. McGarvey votes aye.
Ms. Gluesenkamp Perez?
Ms. GLUESENKAMP PEREZ. Yes.
The CLERK. Gluesenkamp Perez votes aye.
Ms. Scholten?
Ms. SCHOLTEN. Yes.
The CLERK. Ms. Scholten votes aye.
Mr. Thanadar?
Mr. THANADAR. Aye.
The CLERK. Mr. Thanadar votes aye.
Ms. Chu?
Ms. CHU. Aye.
The CLERK. Ms. Chu votes aye.
Ms. Davids?
Ms. DAVIDS. Aye.
The CLERK. Ms. Davids votes aye.
Mr. Pappas?
Mr. PAPPAS. Aye.
The CLERK. Mr. Pappas votes aye.
Ranking Member Velázquez?
Ms. VELAZQUEZ. Velázquez votes aye.
The CLERK. Ranking Member Velázquez votes aye.

Chairman Williams?

Chairman WILLIAMS. Aye.

The CLERK. Chairman Williams votes aye.

Chairman WILLIAMS. Are there any other Members who wish to change their vote or who have not voted?

All right. Seeing none, the clerk will report.

The CLERK. Mr. Chairman, on that vote 22 ayes, 0 nays, and 0 present.

Chairman WILLIAMS. Okay. The motion is agreed to and H.R. 5427 is adopted and will be reported favorably to the House.

Without objection, the Committee staff is authorized to make technical and conforming changes and Members have 2 business days to file additional supplemental dissenting and minority views.

I want to thank all of you for being here today. I just want to say again this Committee continues to show that we can get things done in a bipartisan fashion when others are not able to do that. And I think that is a good thing. So I want to thank all of you for being here today.

If there is no further business, this concludes today's markup.

Without objection, the Committee stands adjourned.

[Whereupon, at 11:52 a.m., the committee was adjourned.]

APPENDIX

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Small Business Economic Policy Act of 1980 to examine how the competitiveness of small businesses is affected by the enforcement of Federal antitrust laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Small Business Economic Policy Act of 1980 to examine how the competitiveness of small businesses is affected by the enforcement of Federal antitrust laws, 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 “Main Street Competes
5 Act”.

1 **SEC. 2. CONGRESSIONAL DECLARATION OF SMALL BUSI-**
2 **NESS ECONOMIC POLICY.**

3 Section 302(a) of the Small Business Economic Pol-
4 icy Act of 1980 (15 U.S.C. 631a(a)) is amended—

5 (1) by striking “and provide” and inserting
6 “provide”; and

7 (2) by striking the period at the end and insert-
8 ing “; and promote competitive markets, consumer
9 choice, and business ownership through enforcement
10 of Federal antitrust laws in the case of anticompeti-
11 tive conduct that harms small businesses and the
12 growth of small businesses.”.

13 **SEC. 3. STATE OF SMALL BUSINESSES.**

14 (a) IN GENERAL.—Section 303 of the Small Business
15 Economic Policy Act of 1980 (15 U.S.C. 631b) is amend-
16 ed to read as follows:

17 **“SEC. 303. REPORT ON THE STATE OF SMALL BUSINESS**
18 **CONCERNS.**

19 “(a) SPECIFIED ENTITY REPORT.—Not later than
20 180 days after the end of fiscal year 2023 and each fiscal
21 year thereafter, the head of each specified entity shall sub-
22 mit to the Chief Counsel for Advocacy of the Office of
23 Advocacy of the Small Business Administration a report
24 including—

25 “(1) an analysis of how enforcement by the
26 specified entity of Federal antitrust laws promoted

1 competition during the preceding fiscal year by de-
2 terring and remedying anticompetitive conduct that
3 harms small businesses and the growth of small
4 businesses;

5 “(2) the number of complaints of alleged anti-
6 trust violations filed by small businesses with the
7 specified entity during such fiscal year,
8 disaggregated by category of the alleged antitrust
9 violation, type of offense, and the specific Federal
10 antitrust laws allegedly violated;

11 “(3) the number of inquiries, investigations,
12 and enforcement actions undertaken by the specified
13 entity in response to complaints filed by small busi-
14 nesses with the specified entity during such fiscal
15 year; and

16 “(4) the number of inquiries, investigations,
17 and enforcement actions undertaken by the specified
18 entity during such fiscal year pursuant to an alleged
19 antitrust violation, opened for a reason other than
20 described in paragraph (3), to deter and remedy
21 anticompetitive conduct that harms small businesses
22 and the growth of small businesses.

23 “(b) OFFICE OF ADVOCACY REPORT.—Not later than
24 180 days after receipt of the report required by subsection
25 (a), the Chief Counsel for Advocacy shall submit to the

1 Committee on Small Business of the House of Representa-
2 tives and the Committee on Small Business and Entrepre-
3 neurship of Senate a report that includes—

4 “(1) a summary of the report submitted under
5 subsection (a);

6 “(2) an analysis of the data in such report,
7 disaggregated by industry category;

8 “(3) an evaluation of the issues identified in
9 such report relating to—

10 “(A) anticompetitive conduct that harmed
11 small businesses and the growth of small busi-
12 nesses; and

13 “(B) administrative actions that promoted
14 competition and growth of small businesses;

15 “(4) as appropriate, recommendations for ad-
16 ministrative actions that could—

17 “(A) promote competition;

18 “(B) deter anticompetitive conduct that
19 harmed small business and the growth of small
20 businesses; and

21 “(C) remedy such anticompetitive conduct;
22 and

23 “(5) as appropriate, recommendations for legis-
24 lative actions that could—

25 “(A) promote competition;

1 “(B) deter anticompetitive conduct that
2 harmed small business and the growth of small
3 businesses; and

4 “(C) remedy such anticompetitive con-
5 duct.”.

6 (b) DEFINITIONS.—The Small Business Economic
7 Policy Act of 1980 (Public Law 96–302; 94 Stat. 848;
8 15 U.S.C. 631a et seq.) is amended by adding at the end
9 the following new section:

10 **“SEC. 304. DEFINITIONS.**

11 “In this title:

12 “(1) ANTITRUST VIOLATION.—The term ‘anti-
13 trust violation’ means any violation of Federal anti-
14 trust laws.

15 “(2) FEDERAL ANTITRUST LAWS.—The term
16 ‘Federal antitrust laws’ has the meaning given the
17 term ‘antitrust laws’ in subsection (a) of the first
18 section of the Clayton Act (15 U.S.C. 12(a)), except
19 that such term shall also include section 5 of the
20 Federal Trade Commission Act (15 U.S.C. 45) to
21 the extent that such section 5 applies to unfair
22 methods of competition.

23 “(3) SMALL BUSINESS.—The term ‘small busi-
24 ness’ has the meaning given ‘small business concern’

1 under section 3 of the Small Business Act (15
2 U.S.C. 632).

3 “(4) SPECIFIED ENTITY.—The term ‘specified
4 entity’ means—

5 “(A) the Department of Justice; and

6 “(B) the Federal Trade Commission.”.

118TH CONGRESS
1ST SESSION

H. R. 5265

To amend the Small Business Act to require a report on the performance of the Office of Rural Affairs, to require a report on the memorandum of understanding between the Small Business Administration and the Department of Agriculture entered into on April 4, 2018, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 25, 2023

Mr. ALFORD (for himself, Mr. LUETKEMEYER, Mr. ELLZEY, and Mr. BEAN of Florida) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to require a report on the performance of the Office of Rural Affairs, to require a report on the memorandum of understanding between the Small Business Administration and the Department of Agriculture entered into on April 4, 2018, 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 “Small Business Admin-
5 istration Rural Performance Report Act”.

1 **SEC. 2. SMALL BUSINESS RURAL PERFORMANCE REPORTS.**

2 (a) OFFICE OF RURAL AFFAIRS ANNUAL PERFORM-
3 ANCE REPORT.—Section 26 of the Small Business Act (15
4 U.S.C. 653) is amended by adding at the end the fol-
5 lowing:

6 “(d) REPORTS.—

7 “(1) INITIAL REPORT.—Not later than 90 days
8 after the date of the enactment of this subsection,
9 the Administrator shall make available on a website
10 of the Administration, and submit to the Committee
11 on Small Business of the House of Representatives
12 and the Committee on Small Business and Entrepre-
13 neurship of the Senate, a report on the activities of
14 the Office during the year preceding the date of the
15 report that includes the following elements:

16 “(A) How the Office is promoting financial
17 assistance pursuant to subsection (c)(1).

18 “(B) Annual statistics compiled pursuant
19 to subsection (c)(2).

20 “(C) How the Office is providing informa-
21 tion pursuant to subsection (c)(3).

22 “(D) How the Office is providing informa-
23 tion pursuant to subsection (c)(4).

24 “(E) The number of outreach events con-
25 ducted by the Office to provide information de-

1 scribed in paragraphs (3) and (4) of subsection
2 (c).

3 “(F) Details of any partnerships that the
4 Office engaged in to provide the outreach de-
5 scribed in paragraph (5), including any partner-
6 ships with the National Travel and Tourism Of-
7 fice of the Department of Commerce.

8 “(G) The name of the director of the Of-
9 fice and the number of staff employed by the
10 Office.

11 “(2) ANNUAL REPORT.—The Administrator
12 shall annually submit, along with the budget the
13 budget justification materials submitted in support
14 of the Small Business Administration budget for a
15 fiscal year (as submitted with the budget of the
16 President under section 1105(a) of title 31), a re-
17 port that includes the elements described in para-
18 graph (1).”.

19 (b) TECHNICAL AMENDMENT.—Section 26(c)(5) of
20 the Small Business Act (15 U.S.C. 653(c)(5)) is amended
21 by striking “United States Tourism and Travel Adminis-
22 tration” and inserting “National Travel and Tourism Of-
23 fice of the Department of Commerce”.

24 (c) MEMORANDUM OF UNDERSTANDING WITH DE-
25 PARTMENT OF AGRICULTURE REPORT.—Not later than

1 90 days after the date of the enactment of this Act, the
2 Administrator shall make available on a website of the Ad-
3 ministration and submit to the Committee on Small Busi-
4 ness of the House of Representatives and the Committee
5 on Small Business and Entrepreneurship of the Senate a
6 report on the MOU. Such report shall include a descrip-
7 tion of the following:

8 (1) How many working groups convened pursu-
9 ant to the MOU the Administration was part of and
10 if the Administration is still part of any such work-
11 ing groups.

12 (2) How many staff employed by the Adminis-
13 tration were and are still involved with a working
14 group convened pursuant to the MOU.

15 (3) The findings specified in clauses (i) through
16 (iv) of paragraph (1) of part 2 of the MOU.

17 (4) The findings specified in clauses (i) through
18 (iv) of paragraph (2) of part 2 of the MOU.

19 **SEC. 3. DEFINITIONS.**

20 In this Act:

21 (1) ADMINISTRATOR.—The term “Adminis-
22 trator” means the Administrator of the Small Busi-
23 ness Administration.

24 (2) ADMINISTRATION.—The term “Administra-
25 tion” means the Small Business Administration.

1 (3) MOU.—The term “MOU” means the
2 memorandum of understanding between the Depart-
3 ment of Agriculture and the Small Business Admin-
4 istration entered into on April 4, 2018, about col-
5 laborative efforts to promote stronger businesses and
6 agricultural economies in rural America.

7 **SEC. 4. COMPLIANCE WITH CUTGO.**

8 No additional amounts are authorized to be appro-
9 priated to carry out this Act or the amendments made
10 by this Act. Such Act and amendments shall be carried
11 out using amounts otherwise appropriated to the Adminis-
12 trator of the Small Business Administration.

○

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Small Business Act to enhance the Office of Rural Affairs,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Small Business Act to enhance the Office
of Rural Affairs, 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. OFFICE OF RURAL AFFAIRS OF THE SMALL**
4 **BUSINESS ADMINISTRATION.**

5 Section 26 of the Small Business Act (15 U.S.C. 653)
6 is amended—

7 (1) by amending subsection (b) to read as fol-
8 lows:

1 “(b) APPOINTMENT OF ASSISTANT ADMINIS-
2 TRATOR.—

3 “(1) IN GENERAL.—The Office shall be admin-
4 istered by an Assistant Administrator, who shall be
5 an employee in the competitive service.

6 “(2) QUALIFICATIONS.—The Assistant Admin-
7 istrator shall—

8 “(A) have education or professional experi-
9 ence with, or knowledge of, rural affairs and
10 issues relating to small business concerns; and

11 “(B) have experience providing develop-
12 ment assistance to rural small business con-
13 cerns.”;

14 (2) in subsection (c)—

15 (A) in paragraph (1), by striking “small
16 business concerns located in rural areas” and
17 inserting “rural small business concerns”;

18 (B) in paragraph (3)—

19 (i) by striking “provide information”
20 and inserting “promote”; and

21 (ii) by striking “concerning the” and
22 all that follows through the semicolon at
23 the end and inserting the following: “poli-
24 cies and programs of the Administration
25 and of other Federal departments and

1 agencies for assisting rural small business
2 concerns;”;

3 (C) in paragraph (4), by striking “; and”
4 and inserting a semicolon;

5 (D) in paragraph (5)—

6 (i) by striking “the United States
7 Tourism and Travel Administration” and
8 inserting “the National Travel and Tour-
9 ism Office of the Department of Com-
10 merce”;

11 (ii) by striking “small businesses in
12 rural areas” and inserting “rural small
13 business concerns”;

14 (iii) by striking the period at the end
15 and inserting “; and”; and

16 (E) by adding at the end the following new
17 paragraph:

18 “(6) host webinars and outreach events for
19 rural small business concerns as described in sub-
20 section (d).”; and

21 (3) by adding at the end the following new sub-
22 sections:

23 “(d) OUTREACH.—The Assistant Administrator
24 shall—

1 “(1) host webinars and outreach events in var-
2 ious regions of the United States for rural small
3 business concerns; and

4 “(2) invite representatives from district offices
5 of the Administration, resource partners, Federal
6 and State agencies, and other interested persons to
7 participate in such webinars and outreach events.

8 “(e) REPORT.—

9 “(1) IN GENERAL.—Not later than 180 days
10 after the date of the enactment of this subsection,
11 and annually thereafter, the Administrator shall sub-
12 mit to the Committee on Small Business of the
13 House of Representatives and the Committee on
14 Small Business and Entrepreneurship of the Senate,
15 and make publicly make available on a website of
16 the Administration, a report on the activities of the
17 Office during the one-year period immediately pre-
18 ceding the date of submission of the report.

19 “(2) CONTENTS.—Each report required under
20 paragraph (1) shall include the following:

21 “(A) The operational details of the Office,
22 including the name of the Assistant Adminis-
23 trator, the budget of the Office, and the num-
24 ber of full-time employees employed by or de-
25 tailed to the Office.

1 “(B) A summary of the activities con-
2 ducted under subsection (e).

3 “(C) The number of webinars and out-
4 reach events conducted by the Administration
5 to promote policies and programs described in
6 paragraphs (3) of subsection (e) and to provide
7 information described in (4) of such subsection.

8 “(D) An analysis of gaps in lending pro-
9 grams of the Administration in serving the
10 needs of rural small business concerns.

11 “(E) Information gathered from any
12 webinars and outreach events conducted by the
13 Administration during the period covered by the
14 report.

15 “(f) DEFINITIONS.—In this section:

16 “(1) ASSISTANT ADMINISTRATOR.—The term
17 ‘Assistant Administrator’ means the Assistant Ad-
18 ministrators of the Office of Rural Affairs appointed
19 under subsection (b).

20 “(2) RESOURCE PARTNERS.—The term ‘re-
21 source partners’ means—

22 “(A) small business development centers;

23 “(B) women’s business centers (described
24 under section 29);

1 “(C) chapters of the Service Corps of Re-
2 tired Executives (established under section
3 8(b)(1)(B)); and

4 “(D) Veteran Business Outreach Centers
5 (described under section 32).

6 “(3) RURAL SMALL BUSINESS CONCERN.—The
7 term ‘rural small business concern’ means a small
8 business concern located in a rural area.”.

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To require the Administrator of the Small Business Administration to provide a link to resources for submitting reports on suspected fraud relating to certain COVID-19 loans.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Administrator of the Small Business Administration to provide a link to resources for submitting reports on suspected fraud relating to certain COVID-19 loans.

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. WEBSITE TO REPORT FRAUD RELATING TO**
4 **CERTAIN COVID-19 LOANS.**

5 (a) IN GENERAL.—Not later than 30 days after the
6 date of the enactment of this Act, the Administrator of
7 the Small Business Administration shall include on the

1 primary website of the Administration a link to a website
2 of the Office of the Inspector General of the Small Busi-
3 ness Administration regarding reporting fraud, waste,
4 abuse, mismanagement, and misconduct, and containing
5 a resource for individuals to report suspected cases of
6 fraud with respect to a covered loan to the Administration.

7 (b) COVERED LOAN DEFINED.—In this section, the
8 term “covered loan” means—

- 9 (1) a loan made under paragraphs (36) or (37)
10 of section 7(a) of the Small Business Act (15 U.S.C.
11 636(a)); or
12 (2) a loan made under section 7(b) of such Act
13 (15 U.S.C. 636(b)) in response to COVID–19 dur-
14 ing the covered period (as defined in section 1110(a)
15 of the CARES Act (15 U.S.C. 9009)).

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To prohibit individuals convicted of defrauding the Government from receiving any assistance from the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. WILLIAMS of Texas introduced the following bill; which was referred to the Committee on _____

A BILL

To prohibit individuals convicted of defrauding the Government from receiving any assistance from the Small Business Administration, 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. ASSISTANCE PROHIBITED AFTER FRAUD CON-**
4 **VITION.**

5 (a) IN GENERAL.—Section 16 of the Small Business
6 Act (15 U.S.C. 645) is amended by adding at the end the
7 following new subsection:

8 “(h) FINANCIAL ASSISTANCE PROHIBITION.—

1 “(1) IN GENERAL.—An associate of a small
2 business concern who is finally convicted of any
3 crime involving or relating to financial misconduct or
4 a false statement with respect to a covered loan or
5 grant shall be ineligible to receive any financial as-
6 sistance from the Administrator, other than financial
7 assistance under section 7(b).

8 “(2) BUSINESS CONCERNS.—A small business
9 concern that has as an associate an individual sub-
10 ject to paragraph (1) shall be ineligible to receive
11 any financial assistance from the Administrator,
12 other than financial assistance under section 7(b).

13 “(3) DEFINITIONS.—In this subsection:

14 “(A) ASSOCIATE.—The term ‘associate’
15 means, with respect to an small business con-
16 cern—

17 “(i) an officer, director, or owner of
18 more than 20 percent of the equity of, or
19 a key employee of, such small business
20 concern;

21 “(ii) any entity not less than 20 per-
22 cent owned or controlled by one or more
23 individuals referred to in clause (i); and

24 “(iii) any other individual or entity in
25 control of or controlled by such small busi-

1 ness concern, except for a licensed small
2 business investment company (as defined
3 in section 103(3) of the Small Business In-
4 vestment Act of 1958 (15 U.S.C. 662(3)).

5 “(B) COVERED LOAN OR GRANT.—The
6 term ‘covered loan or grant’ means—

7 “(i) a loan made under—

8 “(I) paragraph (36) or (37) of
9 subsection (a) of section 7 of the
10 Small Business Act (15 U.S.C. 636);
11 or

12 “(II) subsection (b) of such sec-
13 tion in response to the COVID–19
14 pandemic; or

15 “(ii) a grant made under—

16 “(I) section 5003 of the Amer-
17 ican Rescue Plan Act of 2021 (15
18 U.S.C. 9009e); or

19 “(II) section 324 of the Eco-
20 nomic Aid to Hard-Hit Small Busi-
21 nesses, Nonprofits, and Venues Act
22 (15 U.S.C. 9009a).

23 “(C) FINALLY CONVICTED.—The term ‘fi-
24 nally convicted’ means, with respect to an indi-
25 vidual or entity, that such individual or entity

1 has been convicted of an offense and such con-
2 viction—

3 “(i) has not been appealed and is no
4 longer appealable because the time for tak-
5 ing an appeal has expired; or

6 “(ii) has been appealed and the ap-
7 peals process for such conviction is com-
8 pleted.”.

9 (b) APPLICABILITY.—Subsection (h) of section 16 of
10 the Small Business Act (15 U.S.C. 645), as added by sub-
11 section (a) of this Act, shall not apply to any contract or
12 other agreement entered into by the Government prior to
13 the date of the enactment of this Act.

Minority Views
H.R. 5424, The Main Street Competes Act

The minority supports H.R. 5424, the Main Street Competes Act of 2023. A competitive business environment is the lifeblood of a thriving free enterprise economy, spurring innovation, driving productivity, and fostering consumer choice at fair prices. America's main street businesses are a critical component of our economy, and their success hinges on a competitive marketplace. Unfortunately, this competitive landscape has been eroded for decades, as large companies have broadly consolidated much of the economy. Federal antitrust laws are critical tools protecting the competitive environment, but their limited use in recent decades has contributed to the ongoing concentration of industries.

The SBA's Office of Advocacy has a broad mandate to advocate for small businesses within the federal government. Its primary functions include the requirement to "recommend specific measures for creating an environment in which all businesses will have the opportunity to compete effectively and expand to their full potential." Given its mandate, it is uniquely positioned to work with antitrust enforcement bodies like the Federal Trade Commission (FTC) and the Department of Justice (DOJ). While these agencies have the power to enforce these laws, they may have the direct input from small businesses necessary to make important decisions on enforcement action. By fostering collaboration between these enforcement agencies and the Office of Advocacy, Congress can ensure the input of small businesses are considered and reaffirm the Office of Advocacy's commitment to being the voice for small businesses within the federal government.

The Committee has heard testimony on numerous occasions about the importance of antitrust enforcement when it comes to supporting main street. For instance, in March 2022, the Committee held a hearing called, "Competition and the Small Business Landscape: Fair Competition and a Level Playing Field." In which members heard from experts about the value of antitrust for small businesses.

Minority Views**H.R. 5265, Small Business Administration Rural Performance Report Act**

Small businesses are powerful drivers of economic growth across the United States, employing 46 percent of the U.S. workforce and generating two-thirds of new jobs. In rural areas, self-employment tends to be higher than in urban and suburban areas. However, rural small businesses face greater challenges, including access to affordable capital, unreliable internet access, and labor shortages.

The Small Business Administration (SBA) Office of Rural Affairs (the Office) can play a key role in helping rural small businesses overcome these challenges. The Office was created in 1990 to provide information and assistance to rural small businesses. The responsibilities of the Office include compiling statistics on rural areas and small business concerns, distributing SBA financial assistance programs equitably, providing information to stakeholders, and working with the National Travel and Tourism Office to assist small businesses in rural areas. Unfortunately, the Office has either been dormant or the collateral duty of a Regional Administrator for a vast majority of the time since its establishment.

In the 116th and 117th Congresses, the Committee ensured numerous hearings were held to assess the state of economy in rural America. On July 13, 2021, Representative Jared Golden, (D-ME), the Chairman of the Subcommittee on Underserved, Agricultural, and Rural Business Development, held a hearing entitled, the Rural American Recovery: The Role of Small Businesses and Entrepreneurship. At that hearing, Mr. Golden said that most of the rural small businesses owners in his district did not know much about SBA services, such as the Small Business Development Centers or SCORE, and he sought feedback from witnesses on how to strengthen the Office of Rural Affairs in order to support rural businesses.

Moreover, Committee Democrats discussed concerns with Administrator Linda McMahon and urged the Administration to stand up the Office. Committee Democrats were encouraged that the previous Administration hired additional staff in 2020 through funding from the CARES Act. The Office of Rural Affairs is also a priority for the current Administration, and in 2021, the SBA appointed a permanent, full-time career deputy director to stand up the Office and recently named a director to lead the office.

H.R. 5265 would require the SBA to (1) issue an annual performance report, as well as a specific budget justification for the Office of Rural Affairs, and (2) issue a report on the Memorandum of Understanding with the Department of Agriculture, which expired on April 4, 2023.

While Committee Democrats support the “Small Business Administration Rural Performance Report Act,” we remain concerned with the statutory requirement for SBA to issue a report on the Memorandum of Understanding with the Department of Agriculture, which expired on April 4, 2023. Committee Democrats believe the information could be obtained faster by either placing a formal request for a briefing or sending a letter to the Administrator.

Minority Views**H.R. 5425, To amend the Small Business Act to enhance the Office of Rural Affairs****Background**

Small businesses are powerful drivers of economic growth across the United States, employing 46 percent of the U.S. workforce and generating two-thirds of new jobs. In rural areas, self-employment tends to be higher than in urban and suburban areas. However, rural small businesses face greater challenges, including access to affordable capital, unreliable internet access, and labor shortages.

The Small Business Administration (SBA) Office of Rural Affairs (the Office) can play a key role in helping rural small businesses overcome these challenges. The Office was created in 1990 to provide information and assistance to rural small businesses. The responsibilities of the Office include compiling statistics on rural areas and small business concerns, distributing SBA financial assistance programs equitably, providing information to stakeholders, and working with the National Travel and Tourism Office to assist small businesses in rural areas. Unfortunately, the Office has either been dormant or the collateral duty of a Regional Administrator for a vast majority of the time since its establishment.

In the 116th and 117th Congresses, the Committee ensured numerous hearings were held to assess the state of economy in rural America. On July 13, 2021, Representative Jared Golden, (D-ME), the Chairman of the Subcommittee on Underserved, Agricultural, and Rural Business Development, held a hearing entitled, the Rural American Recovery: The Role of Small Businesses and Entrepreneurship. At that hearing, Mr. Golden said that most of the rural small businesses owners in his district did not know much about SBA services, such as the Small Business Development Centers or SCORE, and he sought feedback from witnesses on how to strengthen the Office of Rural Affairs in order to support rural businesses.

Moreover, Committee Democrats discussed concerns with Administrator Linda McMahon and urged the Administration to stand up the Office. Committee Democrats were encouraged that the previous Administration hired additional staff in 2020 through funding from the CARES Act. The Office of Rural Affairs is also a priority for the current Administration, and in 2021, the SBA Administrator appointed a permanent, full-time career deputy director to stand up the Office and recently named a director to lead the office.

Committee Democrats have long been committed to a fully functioning Office of Rural Affairs. It is important for the Office to actively help rural small businesses deal with the challenges facing them today. With clear lines of communication and the additional outreach that will come from the Office, small businesses will be able to access resources that should readily be available to them. Furthermore, the Office will provide a role in being able to receive feedback from the small business community that will allow the Federal Government insight into how to best use resources to support small businesses.

H.R. 5426, Require SBA to Provide an Online Method for Submitting Report on Suspected Fraud Relating to Certain COVID-19 Loans

Over the course of the COVID-19 pandemic, the Small Business Administration (SBA) disbursed approximately \$1.2 trillion of economic aid through the Paycheck Protection Program (PPP) (\$792 billion), Economic Injury Disaster Loan Program (EIDL) (\$405.2 billion), Restaurant Revitalization Fund (RRF) (\$28.6 billion), and the Shuttered Venue Operators Grant Program, (SVOG) (\$14.6 billion) to help small businesses adversely impacted by the crisis.

In an effort to disburse PPP and COVID-19 funds swiftly, the SBA weakened and removed internal controls. The Office of the Inspector General (OIG) issued a number of reports early on warning of the importance of strong internal controls to mitigate risk, and a total of 22 reports to identify weaknesses in SBA's control environment throughout the pandemic. Beginning in early 2021, long-standing anti-fraud controls were reinstituted, and new safeguards were put into place by the Biden-Harris Administration to reduce the potential for fraud.

On June 27, 2023, the OIG issued a white paper to provide a comprehensive review reporting that SBA disbursed more than \$200 billion in *potentially* fraudulent COVID-19 EIDLs, EIDL Targeted Advances, Supplemental Targeted Advances, and PPP loans. SBA also issued a report, entitled "Protecting the Integrity of the Pandemic Relief Programs," which estimates that \$36 billion of the \$1.2 trillion in pandemic relief emergency funds was obtained fraudulently. Moreover, the agency asserts that 86% of the *likely* fraud originated in the first nine months of the pandemic, under the Trump Administration.

Currently, whistleblowers can report potential fraud to the [SBA Office of Inspector General Hotline \(OIG hotline\)](#) or the [Pandemic Response Accountability Committee \(PRAC\)](#). SBA also has a [link](#) on their main page that will lead to a page entitled, "Preventing Fraud and Identity Theft." This page has a direct link to the OIG hotline for reporting fraud, waste, abuse, or mismanagement of federal funds involving SBA programs.

SBA websites – like those of other federal agencies – must conform to U.S. Web Design System standards as required by the 21st Century Integrated Digital Experience Act (P.L. 115-336). Among other provisions, those standards require a consistent appearance across all sites, which is the reason SBA houses its fraud resources under the Oversight header. Moreover, all government websites must be accessible to individuals with disabilities in accordance with [Section 508](#). Having additional banners or pop-up ads could negatively impact the usability of the website for individuals with disabilities.

The OIG white paper reported that the office has received more than 250,000 hotline complaints since the beginning of the pandemic. Of those complaints, more than 90,000 have been identified as actionable leads, which amount to more than 100 years of investigative case work.

Given that SBA already has a link to the OIG website on its website, Committee Democrats believe the single most important action Congress can take to support the OIG in their efforts to combat fraud is to advocate for their Fiscal Year 2024 budget (FY 2024) request. The Administration's FY 2024 budget plan proposed \$47.704 million of discretionary funding, plus a \$1.6 million

transfer from SBA's Disaster Loans Program, and an additional \$14 million transfer to OIG from a mandatory funding source. The proposed mandatory funding source for the \$14 million transfer is no longer available following enactment of the Fiscal Responsibility Act of 2023 (P.L. 118-5), which rescinded the unobligated balances in the SBA Disaster Loan Program account.

The OIG budget request would enable OIG to build on its existing oversight capacity as COVID EIDL loans enter into repayment with additional criminal investigators, data scientists, auditors, and professional staff. These investments in data analytics capabilities, auditors, and investigative coverage will enable OIG to analyze more data, conduct more audits and reviews, and investigate more cases, promoting public trust and integrity within SBA's programs and operations.

Unfortunately, the House FSGG appropriations bill provides \$32.02 million, which would cripple the OIG, providing budget authority for approximately 130 positions, and bringing operations back to pre-pandemic levels. The Administration's FY 2024 budget provides the necessary funding to enable the OIG to sustain existing oversight capacity and invest in additional necessary staffing. Absent the total budgetary resources requested in the 2024 budget, the OIG will not have sufficient funding to combat fraud within SBA programs or to provide effective oversight over the agency's programs. Critically, OIG will not have a sufficient operating budget to capitalize on the new laws (P.L. 117-165 and P.L. 117-166), which extended the statute of limitations for fraud in the PPP and EIDL programs to 10 years.

Minority Views on H.R. 5427, “A bill to prohibit individuals convicted of defrauding the Government from receiving non-disaster financial assistance from the Small Business Administration.”

Over the course of the COVID-19 pandemic, the Small Business Administration (SBA) disbursed approximately \$1.2 trillion of economic aid through the Paycheck Protection Program (PPP) (\$792 billion), Economic Injury Disaster Loan Program (EIDL) (\$405.2 billion), Restaurant Revitalization Fund (RRF) (\$28.6 billion), and the Shuttered Venue Operators Grant Program, (SVOG) (\$14.6 billion) to help small businesses adversely impacted by the crisis.

In an effort to disburse PPP and COVID-19 funds swiftly, the SBA weakened and removed internal controls. The Office of the Inspector General (OIG) issued a number of reports early on warning of the importance of strong internal controls to mitigate risk, and a total of 22 reports to identify weaknesses in SBA’s control environment throughout the pandemic. Beginning in early 2021, long-standing anti-fraud controls were reinstituted, and new safeguards were put into place by the Biden-Harris Administration to reduce the potential for fraud.

On June 27, 2023, the OIG issued a white paper to provide a comprehensive review reporting that SBA disbursed more than \$200 billion in *potentially* fraudulent COVID-19 EIDLs, EIDL Targeted Advances, Supplemental Targeted Advances, and PPP loans. SBA also issued a report, entitled “Protecting the Integrity of the Pandemic Relief Programs,” which estimates that \$36 billion of the \$1.2 trillion in pandemic relief emergency funds was obtained fraudulently. Moreover, the agency asserts that 86% of the *likely* fraud originated in the first nine months of the pandemic, under the Trump Administration. As of August 15, 2023, there have been 1,081 indictments, 884 arrests, 574 convictions related to PPP or EIDL, and 579 ongoing investigations.

The bill is aligned with recent actions taken by the Biden Administration to ensure that SBA loans are not approved for those who defrauded the government during the pandemic or any other time. Beginning on August 1, 2023, SBA began proactively screening for prior government loss and connection to fraud for all business loans. This screening includes utilizing the Treasury Do Not Pay system (DNP). The DNP includes a dataset called CAIVRS, which indicates whether an individual or entity has a delinquent federal debt. The screening also includes a check across SBA’s internal databases for any business connected to pandemic program fraud (e.g., PPP). If a borrower is flagged through these checks, they have an opportunity to clear the hold by resolving the issue, demonstrating that it does not apply, or proving it incorrect. SBA does not move forward with an applicant’s loan unless the hold is cleared.

Given that the SBA already has protocols in place to prevent fraud, Committee Democrats believe the single most important action Congress can take to support the OIG in their efforts to combat fraud is to advocate for their Fiscal Year 2024 (FY 2024) budget request. The Administration’s FY 2024 budget plan proposed \$47.704 million of discretionary funding, plus a \$1.6 million transfer from SBA’s Disaster Loans Program, and an additional \$14 million transfer to OIG from a mandatory funding source. The proposed mandatory funding source for the \$14 million transfer is no longer available following enactment of the Fiscal Responsibility Act of 2023 (P.L. 118-5), which rescinded the unobligated balances in the SBA Disaster Loan Program account.

The OIG budget request would enable OIG to build on its existing oversight capacity as COVID EIDL loans enter into repayment with additional criminal investigators, data scientists, auditors, and professional staff. These investments in data analytics capabilities, auditors, and investigative coverage will enable OIG to analyze more data, conduct more audits and reviews, and investigate more cases, promoting public trust and integrity within SBA's programs and operations.

Unfortunately, the House FSGG appropriations bill provides \$32.02 million, which would cripple the OIG, providing budget authority for approximately 130 positions, and bringing operations back to pre-pandemic levels. The Administration's FY 2024 budget provides the necessary funding to enable the OIG to sustain existing oversight capacity and invest in additional necessary staffing. Absent the total budgetary resources requested in the FY 2024 budget, the OIG will not have sufficient funding to combat fraud within SBA programs or to provide effective oversight over the agency's programs. Critically, OIG will not have a sufficient operating budget to capitalize on the new laws (P.L. 117-165 and P.L. 117-166), which extended the statute of limitations for fraud in the PPP and EIDL programs to 10 years.



September 13, 2023

Dear Members of the House Small Business Committee:

On behalf of thousands of Main Street businesses and agriculture producers across the United States, the Main Street Competition Coalition wishes to express our support for **the Main Street Competes Act**. This bipartisan legislation, introduced by Reps. Blaine Luetkemeyer (MO-03) and Hillary Scholten (MI-03), aims to refocus the Small Business Administration on promoting competitive markets, enhancing consumer choice, and encouraging business ownership.

The Main Street Competition Coalition (MSCC) represents a diverse group of main street businesses and agriculture producers dedicated to revitalizing and reforming the antitrust laws. We are champions of antitrust policies that establish a level playing field, benefiting both businesses and consumers alike. Our primary objective is to boost competition in retail and wholesale markets, enabling consumers to have real choices. We believe firmly that rigorous enforcement of US antitrust laws is pivotal to preserving the competitive integrity of markets. This is crucial not only to empower small businesses to compete but also to prevent dominant players from undermining competition and free enterprise.

The Main Street Competes Act empowers the Small Business Administration to evaluate the efficacy of antitrust law enforcement in maintaining a competitive landscape for small businesses. We request that members of the House Small Business Committee support the legislation when it comes to a vote.

Sincerely,

The Main Street Competition Coalition

 @MainStCompetes | www.MainStreetCompetition.com