

December 3, 2004

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Small Business Complaints

A lawsuit against the Small Business Administration for failing to implement a congressionally mandated women's small business procurement program gained some support Thursday, but an agency attorney said that SBA officials will likely ask for the complaint to be dismissed.

The Business and Professional Women group announced its support of the [lawsuit](#) filed by the U.S. Women's Chamber of Commerce, stating that the SBA's actions demonstrate a lapse in commitment to women-owned small businesses.

"Without access to these opportunities ... women lose a valuable potential revenue stream, and the federal government becomes yet another boy's club bearing a large sign stating 'No Girls Allowed,'" said Nancy Hurlbert, president of Business and Professional Women.

Hurlbert, along with Chamber CEO Margot Dorfman, said at a press conference Thursday that the two groups believe it's "inexcusable" that the SBA has failed to comply with the 3-year-old legislation.

The 2000 Equity in Contract for Women Act requires SBA to identify underrepresented women-owned small businesses with respect to federal procurement contracting. According to the lawsuit, SBA completed a draft report and proposed new regulations in September 2001, but failed to follow through on the proposal. The report was never published.

The lawsuit states that during a Sept. 29, 2004, meeting between agency officials and members of the Women's Chamber, SBA Administrator Hector Barreto said that the goals in the law were meaningless and that there were no consequences if SBA failed to meet the goals. According to the lawsuit, Barreto said that "the administration has no intention of implementing this program."

Eric S. Benderson, SBA associate general counsel for litigation, said that Barreto has categorically denied making those comments, adding that there was no congressional deadline for implementing the law.

Benderson said the administration cannot publish the study required by the act until the National Academies of Science finishes its \$180,000 review of the SBA draft report. Repeated delays caused by NAS personnel changes have delayed the study.

Benderson said that when the NAS study is complete, likely by the end of the year, the SBA will publish the draft report.