

United States Senate

WASHINGTON, DC 20510

December 19, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Administrator Loeffler:

We write today to express our strong concerns about your recent decision to request detailed information from every participant in the 8(a) Business Development Program by January 5, 2026. Specifically, we are concerned about whether and how small businesses will be able to fully comply with the request given the limited guidance and short timeline that was provided. We are also concerned about your agency's ability to meaningfully review these materials in a timely manner given the deep staff reductions you have directed at the SBA.

Congress created the 8(a) Business Development Program to provide training, technical assistance, and federal contracting opportunities for socially and economically disadvantaged businesses in the United States. Today, the program plays an important role in making sure these companies have the opportunity to do business with federal agencies, which not only supports those businesses and the communities in which they are located—creating jobs, for example—but also pays dividends for the agencies. Within the Department of Defense, for example, there is evidence to show that these businesses play a role in strengthening the industrial base by diversifying the supply chain. The same can be said for other agencies.

On December 5, 2025, you announced that every participant in the 8(a) Business Development Program would be receiving a letter asking for detailed information about their companies, citing “widespread misconduct” in the program and referring to the program as a “vehicle for institutionalized abuse at taxpayer expense.” While we wholeheartedly support meaningful oversight of all programs that fall under the jurisdiction of the Senate Committee on Small Business and Entrepreneurship, we disagree with your characterization of the program. We also emphasize that formal audits should be conducted by the appropriate authorities, such as Inspectors General, who are a part of a comprehensive system that has decades of proven success in preventing and detecting fraud, waste, and abuse. Furthermore, we are concerned about the nature in which you requested the information from businesses in the program—an indiscriminate data call asking 4,300 businesses to complete additional paperwork, with limited guidance to clarify the manner in which they should comply—which raises questions. So too

does the short turnaround—giving businesses 31 days to comply with a deadline of January 5, 2026—shortly after the holiday season.

There are several outstanding questions that are left unanswered by your notices to companies. We respectfully request answers to the following questions by January 2, 2026.

1. How should a business doing classified and/or sensitive work for the federal government provide the agency with the requested information in a timely and appropriate manner before the requested deadline?
2. Will extensions be granted for businesses that make a good faith effort to comply with the deadline, especially if there is no feasible way to provide the information before the deadline?
3. What assurances do businesses have that proprietary information shared with the agency will be protected?
4. Who within the agency will conduct the audit of the program?
5. Will the agency follow government-approved standards to conduct investigations or audits, such as the Government Accountability Office’s “Generally Accepted Government Auditing Standards (GAGAS)?”

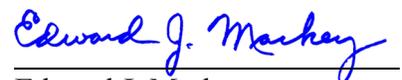
SBA’s fundamental mission is to support small businesses and entrepreneurs in the United States. Rather than using this audit as a pretense to unfairly attack a program with which you have an ideological disagreement, it is our hope that you will refocus on the goals of the 8(a) Program to make sure it continues to support socially and economically disadvantaged businesses—as intended.

We look forward to your timely response.

Sincerely,



Mazie K. Hirono
United States Senator



Edward J. Markey
United States Senator