

help level the playing field for entrepreneurs in Pennsylvania, and indeed, across the Nation, as well.

Ms. VELÁZQUEZ. Mr. Speaker, the Federal Government routinely fails to meet the goals of awarding 5 percent of contract dollars to women-owned small businesses. While this administration has prioritized meeting these goals and last year awarded over \$28 billion to women-owned firms, more can be done.

H.R. 4670, as amended, is an important step in that direction. It ensures that we have the necessary information to conduct proper oversight of the SBA's programs designed to assist women who start and grow government contracting firms.

Mr. Speaker, I thank the sponsors of this bill and appreciate the bipartisan work of the committee to build in the HUBZone and SDVOB programs. They face issues as well and could benefit from the additional reporting.

Mr. Speaker, I urge my colleagues to vote "yes," and I yield back the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, H.R. 4670 provides a necessary check on the SBA as it brings much needed insight into certification activities verifying small business contractors and provides further transparency.

Mr. Speaker, I thank Representatives STAUBER and HOULAHAN for leading this bill. I urge my colleagues on both sides of the aisle to take a page out of our playbook and put politics aside to unanimously pass H.R. 4670.

I also thank the Democrats I missed earlier for their participation, specifically Representatives MFUME, MCGARVEY, and SCHOLTEN.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. WILLIAMS) that the House suspend the rules and pass the bill, H.R. 4670, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### PROHIBITING INDIVIDUALS CONVICTED OF DEFRAUDING THE GOVERNMENT FROM RECEIVING ANY ASSISTANCE FROM THE SMALL BUSINESS ADMINISTRATION

Mr. WILLIAMS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5427) to prohibit individuals convicted of defrauding the Government from receiving any assistance from the Small Business Administration, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5427

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. ASSISTANCE PROHIBITED AFTER FRAUD CONVICTION.

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

“(h) FINANCIAL ASSISTANCE PROHIBITION.—

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

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

“(3) DEFINITIONS.—In this subsection:

“(A) ASSOCIATE.—The term ‘associate’ means, with respect to a small business concern—

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

“(ii) any entity not less than 20 percent owned or controlled by one or more individuals referred to in clause (i); and

“(iii) any other individual or entity in control of or controlled by such small business concern, except for a licensed small business investment company (as defined in section 103(3) of the Small Business Investment Act of 1958 (15 U.S.C. 662(3)).

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

“(i) a loan made under—

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

“(II) subsection (b) of such section in response to the COVID-19 pandemic; or

“(ii) a grant made under—

“(I) section 5003 of the American Rescue Plan Act of 2021 (15 U.S.C. 9009c); or

“(II) section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (15 U.S.C. 9009a).

“(C) FINALLY CONVICTED.—The term ‘finally convicted’ means, with respect to an individual or entity, that such individual or entity has been convicted of an offense and such conviction—

“(i) has not been appealed and is no longer appealable because the time for taking an appeal has expired; or

“(ii) has been appealed and the appeals process for such conviction is completed.”.

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. WILLIAMS) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

#### GENERAL LEAVE

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of my bill, H.R. 5427. This legislation prohibits any individuals convicted of defrauding the government's COVID-19 lending programs from ever receiving future financial assistance from the SBA.

When the COVID-19 pandemic hit America, the SBA took on an outsized role in helping small businesses. They partnered with banks and credit unions to set up the Paycheck Protection Program that ultimately got over \$800 billion to Main Street to keep businesses from laying off employees. Additionally, the SBA ran the Economic Injury Disaster Loan program, better known as the COVID EIDL program, that gave out close to \$480 billion in low interest loans.

While both of these programs were successful in keeping businesses afloat during the pandemic, we have seen some very troubling data come out in recent months.

□ 1700

SBA's Office of Inspector General has estimated over \$200 billion of these relief funds were given to fraudulent actors. This means that roughly 20 percent of all the money that was supposed to help businesses went to the wrong people, and, unfortunately, we have seen some estimates show that this 20 percent figure might be on the low end.

The committee is working to find creative ways to get this money back to the taxpayers, but in the meantime, we also cannot let those who committed these crimes off easy. That is where my legislation comes in. This bill prevents anyone who was convicted of defrauding the SBA's lending programs from receiving any future financial assistance from the agency. If someone saw the pandemic as an opportunity to enrich themselves, then they should never be given the opportunity to utilize any of these financial programs again.

These criminals took money away from businesses across the country that were in desperate need of assistance. This bill provides an additional layer of security for government programs so people who have taken advantage of past programs cannot commit a similar crime in the future.

A lot will need to be done to correct all of the issues within the SBA that allowed these unacceptable levels of fraud to occur, but as those internal issues are corrected, this bill will help rebuild confidence in the agency.

Mr. Speaker, I urge all of my colleagues to support this commonsense bill, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume. I rise in support of H.R. 5427, which puts into statute current rules

which prohibit anyone convicted of defrauding the government from receiving an SBA loan.

Over the course of the pandemic, the SBA disbursed approximately \$1.2 trillion in economic aid. The vast majority of this aid was a lifeline to keep small businesses afloat during troubling and uncertain economic times. Unfortunately, bad actors took advantage of the program early in the pandemic when SBA removed or weakened internal controls. To that end, the Biden administration reinstituted longstanding antifraud controls and put new safeguards into place to curb the flow of pandemic dollars to fraudsters, and they remain in place today.

Before issuing a loan, SBA screens applicants on the government's Do Not Pay list and then checks its internal database for any fraudulent flags or holds. While borrowers have an opportunity to clear their names, the SBA will not move forward until the holds are cleared.

The bill we are considering today is closely aligned with the actions taken by the Biden administration, and it will send a strong message that SBA will not do business with anyone who defrauded the government. With that said, the single most important action Congress can take to recover fraudulent pandemic funds is to fully fund the SBA Inspector General and give the office the resources it needs to go after bad actors. In the last Congress, Representative LUETKEMEYER and I sponsored two laws to extend the statute of limitations for fraud in the PPP and EIDL program to 10 years. Without additional resources, the OIG will not be able to capitalize on these new laws.

In closing, Mr. Speaker, I appreciate the bipartisan work of Chairman WILLIAMS and Representatives MFUME and BEAN, I urge my colleagues to support the legislation, and I reserve the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from the great State of Missouri (Mr. ALFORD).

Mr. ALFORD. Mr. Speaker, I thank the chairman and the ranking member for their leadership.

Mr. Speaker, I rise today because the Small Business Administration and the Biden administration have continuously failed to take action to prevent this type of fraud that happened during COVID-19, ripping off you, ripping off me, ripping off everyone in this room, and ripping off the American taxpayer.

The SBA's Office of the Inspector General has estimated that at least \$200 billion in COVID relief money given by the SBA ended up in the wrong hands of fraudulent actors. We believe it could be well up over \$600 billion. Roughly 20 percent of that money intended to help small businesses went to the wrong people, and SBA Administrator Guzman refuses to testify before our very committee about these losses.

These losses must never happen again, Mr. Speaker, and Chairman WIL-

LIAMS' bill addresses this by doing what the SBA is not willing to do right now, and that is to hold these fraudsters accountable and make sure they are unable to steal from us again.

I proudly support Chairman WILLIAMS' bill, H.R. 5427, which prevents anyone who is convicted of defrauding the SBA's lending programs from getting any future financial assistance from that agency.

We cannot live in an America that allows criminals to defraud taxpayers and hardworking small business owners especially during a time of need.

Mr. Speaker, I urge my colleagues to support H.R. 5427.

Ms. VELÁZQUEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. MFUME), who is the ranking member of the Oversight, Investigations, and Regulations Subcommittee.

Mr. MFUME. Mr. Speaker, my thanks to Chairman WILLIAMS and to the ranking member, Ms. VELÁZQUEZ of New York for their leadership. She and I were having a conversation reminding ourselves that 84 percent of all of the loosening of the guardrails that created the problems occurred while the previous administration was in office. It is important for the facts to be noted in that regard. It is not in an effort to cast aspersions, but it is in an effort to make sure we tell the truth.

Mr. Speaker, I rise today like the gentleman from Texas and the gentlewoman from New York in support of H.R. 5427 which prohibits, as you have heard, individuals convicted of defrauding small business pandemic relief programs from receiving future non-disaster financial aid assistance from the administration.

It sounds like it is common sense to me. If you put your hand in the cookie jar and you steal the cookies, why should you be rewarded later for that?

To this day, our Nation has to reckon with the fact that the consequences of that decision in 2020 to fast-track the allocation of the pandemic relief funds by weakening and removing the internal controls really caused the problems. It was a recipe for disaster.

Are we even astonished that something like this would happen?

This is why so many of us argued against this in 2020.

While many of these antifraud controls are being reinstituted by the Small Business Administration, fraud in these programs has run rampant. We let the horse out of the barn and are wasting time looking at it instead of trying to find a way to get it back in. So that is what this measure does in many respects.

As the ranking member of the Small Business Subcommittee on Oversight, Investigations, and Regulations, I have been, like many of my colleagues on the committee, incredibly concerned by the misuse and the abuse of pandemic relief funds.

Why?

It is a very simple answer: These funds could have been used to protect

jobs. They could have been used to lift small businesses out of financial distress as they should have, and they could have created a circular flow of income in so many communities, urban and rural, throughout this country.

Instead, they lined the pockets of thieves and fraudsters. So that is why I am pleased to be the Democratic co-leader on this along with Mr. WILLIAMS.

This bill amends section 16 of the SBA Act to prohibit, as we said before, anyone convicted of crimes related to financial misconduct or making false statements with respect to small business pandemic relief moneys from not being able to receive nondisaster financial assistance in the future. It is kind of common sense. It really is.

So this bill ensures that those who knowingly and willfully stole Federal funds are not given a similar opportunity in the future.

Mr. Speaker, I, again, thank the ranking member, Ms. VELÁZQUEZ of New York; the chair, Mr. WILLIAMS of Texas; Mr. BEAN of Florida; and others on both sides of the aisle for working to make sure that this bill has the support it needs.

Mr. Speaker, I urge all of my colleagues later today to be able to stand up and to vote for it.

Ms. VELÁZQUEZ. Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, I have no further speakers, and I am prepared to close.

Ms. VELÁZQUEZ. Mr. Speaker, this bill prohibits anyone convicted of defrauding the government with respect to the SBA's pandemic programs from receiving loan disaster financial assistance from the SBA.

While there may be disagreement on the actual estimates of fraud in the pandemic programs, it is clear we need to work together to protect their integrity.

Administrator Guzman has taken steps to put strong controls into place that would prohibit anyone convicted of fraud from receiving financial assistance, and this bill will ensure those controls remain in place with future administrations.

I thank Chairman WILLIAMS, Mr. MFUME, and Mr. BEAN for their efforts, and I urge my colleagues to support the legislation.

Mr. Speaker, I urge my colleagues to vote "yes" on H.R. 5427, and I yield back the balance of my time.

Mr. WILLIAMS of Texas. Mr. Speaker, H.R. 5427 is simple. It needs to be passed.

I also want to thank my colleague from Maryland (Mr. MFUME) for all his support working on this bill. I thank him for his support.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. WILLIAMS) that the House suspend the rules and pass the bill, H.R. 5427.

The question was taken; and (two-thirds being in the affirmative) the

rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

# **SUCCESSFUL ENTREPRENEURSHIP FOR RESERVISTS AND VETERANS ACT**

Mr. WILLIAMS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4480) to require the Administrator of the Small Business Administration to report on the veterans interagency task force, to require the Comptroller General of the United States to report on access to credit for small business concerns owned and controlled by covered individuals, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4480

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## **SECTION 1. SHORT TITLE.**

This Act may be cited as the "Successful Entrepreneurship for Reservists and Veterans Act" or the "SERV Act".

## **SEC. 2. REPORTING REQUIREMENT FOR VETERANS INTERAGENCY TASK FORCE.**

Section 32(c) of the Small Business Act (15 U.S.C. 657b(c)) is amended by adding at the end the following:

"(4) REPORT.—Along with the budget justification documents for the Small Business Administration submitted to Congress in connection with the budget for a fiscal year submitted under section 1105 of title 31, United States Code, the Administrator shall submit a report—

"(A) discussing the appointments made to and activities of the task force; and

"(B) identifying and outlining a plan for outreach and promotion of the programs and services for veterans, including Veteran Business Outreach Centers, Boots to Business, Boots to Business Reboot, Service-Disabled Entrepreneurship Development Training Program, Veteran Institute for Procurement, Women Veteran Entrepreneurship Training Program, and Veteran Women Igniting the Spirit of Entrepreneurship.".

## **SEC. 3. GAO REPORT ON ACCESS TO CREDIT.**

(a) REPORT ON ACCESS TO CREDIT.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report on the ability of small business concerns owned and controlled by covered individuals to access credit to—

(A) the Committee on Veterans' Affairs and the Committee on Small Business and Entrepreneurship of the Senate; and

(B) the Committee on Veterans' Affairs and the Committee on Small Business of the House of Representatives.

(2) CONTENTS.—The report submitted under paragraph (1) shall include, to the extent practicable, an analysis of—

(A) the sources of credit used by small business concerns owned and controlled by covered individuals and the average percentage of the credit obtained from each source by such concerns;

(B) the default rate for small business concerns owned and controlled by covered individuals, disaggregated by each source of credit described in subparagraph (A), as compared to the default rate for the source of credit for small business concerns generally;

(C) the Federal lending programs available to provide credit to small business concerns owned and controlled by covered individuals;

(D) gaps, if any, in the availability of credit for small business concerns owned and controlled by covered individuals that are not being filled by the Federal Government or private sources;

(E) obstacles faced by covered individuals in trying to access credit;

(F) the extent to which deployment and other military responsibilities affect the credit history of veterans and Reservists; and

(G) the extent to which covered individuals are aware of Federal programs targeted towards helping covered individuals access credit.

(b) DEFINITIONS.—In this Act:

(1) COVERED INDIVIDUAL.—The term "covered individual" means—

(A) a veteran;

(B) a service-disabled veteran;

(C) a Reservist;

(D) the spouse of an individual described in subparagraph (A), (B), or (C); or

(E) the spouse of a member of the Armed Forces.

(2) RESERVIST.—The term "Reservist" means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code.

(3) SMALL BUSINESS ACT DEFINITIONS.—The terms "service-disabled veteran", "small business concern", and "veteran" have the meanings given those terms, respectively, under section 3 of the Small Business Act (15 U.S.C. 632).

## **SEC. 4. COMPLIANCE WITH CUTGO.**

No additional amounts are authorized to be appropriated to carry out this Act or the amendments made by this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. WILLIAMS) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

## **GENERAL LEAVE**

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WILLIAMS of Texas. Mr. Speaker, I rise in full support of H.R. 4480, also known as the SERV Act, introduced by Representatives DAVIDS of Kansas and ALFORD of Missouri.

Our Nation's veterans have an incredible impact on our small business community. The skills veterans gained in the military make them leaders uniquely positioned to start and grow successful businesses. Unfortunately, veterans often face barriers when starting or growing their businesses which can feel insurmountable. In May, the Committee on Small Business heard directly from veterans on how access to capital as well as awareness of available resources are major barriers to them.

The SERV Act seeks to identify these barriers and directs the Inter-

agency Task Force on Veterans Small Business Development to create an action plan to improve outreach to veterans informing them of available resources to address their unique needs. If we are spending taxpayer dollars to help these individuals, then we must ensure they are making the greatest impact possible.

Mr. Speaker, I, once again, thank the sponsors of this legislation, I urge my colleagues to support it, and I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support H.R. 4480, the Successful Entrepreneurship for Reservists and Veterans Act, also known as the SERV Act, as amended.

Veteran entrepreneurs are powerful economic engines and job creators. More than 2.4 million veteran businessowners employ more than 5.7 million Americans and contribute approximately \$1.2 trillion annually to our GDP.

With that said, one of the biggest challenges facing veteran-owned small businesses is access to capital. Servicemembers report that it can be difficult to build credit while serving in the military, and studies have shown that a higher percentage of veterans are turned down for loans.

The SERV Act requires GAO to conduct a study on the availability of credit to veteran-owned, service-disabled, and reservist-owned small businesses. The study would provide a report on the obstacles facing veterans, including the extent to which deployment and other military responsibilities affect their credit histories.

Most importantly, it requires the SBA Interagency Task Force on Veterans Small Business Development to create an outreach plan to promote the many valuable programs available to help veteran small business owners.

Representative DAVIDS has been a staunch supporter of efforts to aid veteran entrepreneurs. She first introduced this legislation in the 116th Congress, and it passed the House with broad bipartisan support.

As the chairwoman of the Subcommittee on Economic Growth, Tax, and Capital Access in the 117th Congress, she led efforts to make capital more affordable for all small firms.

Mr. Speaker, I strongly support this bill to ensure Congress is working to address the challenges veteran small employers face, and I reserve the balance of my time.

□ 1715

Mr. WILLIAMS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. ALFORD).

Mr. ALFORD. Mr. Speaker, I rise today in favor of H.R. 4480 because, as Members of Congress, it is our duty to protect and support our Nation's veterans.