

**Questions for the Record**  
**Submitted to**  
**Mauricio Vera, Chair, Federal Office of Small and Disadvantaged Business Utilization**  
**Council**  
**From Senator McCaskill**  
**“SMALL BUSINESS CONTRACTS: HOW OVERSIGHT FAILURES AND**  
**REGULATORY LOOPHOLES ALLOW LARGE BUSINESSES TO GET AND KEEP**  
**SMALL BUSINESS CONTRACTS”**

**Tuesday, July 26, 2011, 10:00 A.M.**  
**United States Senate, Subcommittee on Contracting Oversight,**  
**Committee on Homeland Security and Governmental Affairs**

On June 3, 2011, GAO issued a report titled “Small Business Contracting: Action Needed by Those Agencies Whose Advocates Do Not Report to Agency Heads as Required.” In its report, GAO found that seven of the sixteen agencies under review failed to comply with the Office of Small and Disadvantaged Business Utilization (OSDBU) provisions in the Small Business Act, which require OSDBU directors to report directly to the head of an agency.

1. What is the potential negative impact for OSDBU offices and small businesses that may result from these agencies’ noncompliance with the provision of the law identified in GAO’s report?

**Answer:**

Having direct access to the highest levels of the agency is extremely important in order to be an effective OSDBU Director, and that is why the Small Business Act requires that an OSDBU director report directly to the head or deputy head of an agency. In my role as OSDBU Director at USAID, I report directly to the Deputy Administrator and participate in senior management meetings several times a week. This gives me direct access to the agency’s senior level leadership on a regular basis and has allowed me the opportunity to establish strong working relationships with each of them. It also sends a strong message to the rest of the agency that the agency leadership is supportive of, and attentive to, small business initiatives. This, in turn, allows me greater access to other leaders throughout the agency.

2. Does having a director who does not report directly to the agency head undercut the authority of the OSDBU director?

It is difficult for me to comment directly on the authority of OSDBU Directors at agencies that are not in compliance since I have not worked in that type of organization. However, I can say that OSDBU Directors face unique challenges on a daily basis; without direct access to the agency head or deputy, I believe that it would be much more difficult to advocate effectively for small businesses.