

OPENING STATEMENT
AS PREPARED FOR DELIVERY
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Opening Statement
Attention Needed: Mismanagement at the SBA – The Administrator Responds
Chairman Steve Chabot
House Small Business Committee
January 7, 2016

Good morning. I call this hearing to order. I also want to welcome back Small Business Administrator Maria Contreras-Sweet.

I think everyone here wants the same thing, and that is to serve America's small businesses the best we can. Those of us up here on the dais have an advantage—our constituents let us know how we're doing. As the head of an Agency, I worry that, too often, you mostly hear from Washington bureaucrats. That's the only explanation for why the 69 problems GAO identified haven't been addressed. Yesterday wasn't the first time these issues have been raised.

Yesterday we heard some pretty serious concerns, both from Members of this Committee and from our witness from the GAO, about the management of the SBA. Administrator Contreras-Sweet, since you weren't with us yesterday, I'll recap those briefly for you. (Although I'm sure your staff has probably already given you a rundown.)

I told the GAO witness yesterday that this isn't unlike being a parent. If your teenager's room is a mess, and they had nearly 70 things thrown on the floor (69 to be exact) and they only pick up 7 items, you don't look at the 62 remaining on the floor and raise their allowance for having made "progress." The ongoing problems at SBA, as GAO identified, span the entire breadth of your Agency. From information technology and security to staff management issues, from disaster response to fraud in your lending and contracting programs, it's a safe bet that the small businesses in our districts are paying the price for the Agency's failures.

What we have here is a failure of confidence in the SBA. Before this hearing is over, I hope to hear a commitment from you to resolve as many of these problems as possible by June 30th. I appreciate how accessible you have always been to Members of this Committee, and I request that your office start providing monthly updates to our staff documenting your progress.

If I were you, I'd start with these IT and cybersecurity deficiencies. That's what worries me the most, and I'll tell you why. We've seen the IRS hit, the State Department, OPM, and even the White House hacked. Small businesses trust the SBA with information they don't want a rival business, their neighbors, or the Chinese Government to have access to. Yesterday, GAO told us this information isn't adequately secured. That cannot continue.

I want to make this simple. We are not asking you to defend the SBA. We are asking you to do your best to fix it. I now yield to the Ranking Member for her opening statement.