

OPENING STATEMENT AS PREPARED FOR DELIVERY



**Opening Statement of
Chairman Steve Chabot
Committee on Small Business
Hearing: *SBA Management and Performance Challenges: The Inspector General's Perspective*
AS PREPARED FOR DELIVERY
March 16, 2016**

Good morning. I call this Committee hearing to order. I would like to welcome back before the Committee the Inspector General of the Small Business Administration, the Honorable Peggy Gustafson.

Over the past few weeks, this Committee, along with its Subcommittees, has held a series of hearings in response to a report by the Government Accountability Office (GAO) regarding management deficiencies within the Small Business Administration. The GAO noted that many of the challenges identified in its report were first identified by the SBA's Office of the Inspector General. Today, we will hear Inspector General Gustafson's unique perspective on the management of the SBA, as well as her insight into ways in which the SBA may more effectively, and more efficiently, assist small businesses.

I was troubled by the findings made in the GAO's report, and I think most of the Members of this Committee were as well. What was particularly disturbing was just how many of the challenges identified in the report had already been identified by the Inspector General, and were known by the SBA. In fact, reports and audits compiled by the Inspector General reveal that some of the most serious management challenges affecting the SBA were first highlighted over a decade ago. As these issues have gone unresolved, SBA programs have remained vulnerable to waste, fraud, and abuse, which undermines the agency's mission to support America's small businesses.

It is clear that the Inspector General plays a critical role in ensuring effective management of the SBA. By conducting audits to identify program mismanagement, by investigating fraud or other wrongdoing, or by recommending changes to increase the efficiency of SBA operations, she has provided independent and objective reviews of agency actions. And now the SBA, under the watchful eye of this Committee, must act. By clarifying the specific areas in which improvement is needed and highlighting possible paths forward for the Agency, the insights offered by the Inspector General are invaluable as the Committee continues to work with the SBA to develop meaningful solutions to its management and performance challenges.

I'd like to thank you, Ms. Gustafson, for coming today, and I look forward to your testimony. I will now yield to Ranking Member Velázquez for her opening remarks.