

CLIENT ALERT

House Hammers Hubzone Program

Mar.31.2009

Following the release of a [GAO Report \(GAO-09-440\)](#) on March 25, 2009, finding continued fraud and abuse in the SBA's Historically Underutilized Business Zone ("HUBZone") program, members of the House Small Business Committee stated that they would consider shutting down the program if the widespread fraud was not addressed immediately. The GAO report found that 19 firms who were ineligible for the HUBZone program had received \$30 million in HUBZone contracts and \$187 million on all federal contracts during FY2006 and 2007, largely as a result of the SBA's lack of internal controls in identifying fraudulent designations of principal offices and failures to comply with the 35 percent residency requirement.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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