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Vets get more business than was thought

BY [Michael Hardy](#)
June 11, 2004

A new Small Business Administration study shows that businesses owned by veterans got about 1.7 percent of prime contract dollars in fiscal 2002, almost three times the 0.6 percent figure that is commonly cited.

The discrepancy is the result of inconsistent status coding of contracts across federal agencies and from difficulties in identifying veteran-owned businesses, according to SBA officials. Figures from the Federal Procurement Data System suggested the 0.6 percent figure for fiscal 2002, and 0.4 percent for fiscal 2001. But the SBA's new analysis found that the businesses got at least 1.7 percent in 2002 and 1.6 percent in 2001.

The new study found that many businesses identified as veteran-owned in the Defense Department's Central Contractor Registry, in SBA's ProNet file, and by Dun and Bradstreet are not properly coded in the General Service Administration's master prime contract file. That skews the FPDS numbers, leading to an undercounting of veteran-owned businesses.

However, veteran and business owner **John Moliere** said that even the FPDS figures may overestimate the contract dollars going to service-disabled veteran-owned businesses. "Even if [SBA's] figures are correct for veteran-owned businesses [overall], they do not address the woeful performance with regard to service-disabled veteran-owned small business contracting dollars," he said. "Subcontracting by major companies to this group is equally bad."

Thomas Sullivan, chief counsel for advocacy at SBA, said the findings are good news for veterans. "The grim federal procurement numbers for veteran-owned businesses just got a little better," he said in a written statement. "But, many federal agencies still have a long way to go to reach their procurement goals, particularly their three percent goal for service-disabled veteran-owned businesses."

A new set-aside for businesses owned by service-disabled veterans sets a goal that 3 percent of federal contract dollars should go to the firms. An interim rule enacting the program has been published, and a final rule is expected this summer.