



**For Immediate Release**  
December 14, 2010

**Contact:**  
Larry Smar  
202-228-6367

## Casey Introduces Bills to Help Minority and Women- Owned Businesses

WASHINGTON, DC— U.S. Senator Bob Casey (D-PA) today introduced two bills aimed at helping women and minority-owned businesses. The first will prevent contractors from fraudulently adding minority and women-owned businesses to bids without the intention of following through to deliver work to listed sub-contractors. The second would authorize funding for the Minority and Business Development Agency to provide technical and procurement assistance to minority-owned businesses. There are over 2,000 minority and women-owned businesses certified in Pennsylvania.

“Especially in the current economic climate, supporting small businesses is vital to our economic recovery,” said Senator Casey. “These pieces of legislation will help women and minority-owned businesses by protecting them from fraud and providing support for them to grow and create jobs.”

Currently, prime contractors frequently list minority business enterprises (MBE) or women business enterprises (WBE) as sub-contractors on their bids in order to strengthen their applications, at times without the knowledge of the MBE or WBE. When a contract is awarded, the MBE or WBE are sometimes unaware of their inclusion in the contract and sometimes do not receive the business from that contract. This bill would:

- Require subcontractors identified on a solicitation for a competitive proposal made by an executive agency must be notified by the prime contractor before the application is submitted. A written agreement between the prime contractor and the subcontractor must be submitted to the Contracting officer that includes the identity of the subcontractor, the scope of the work to be performed under the subcontract and the dollar amount of the subcontract.
- Failure to notify subcontractors of their inclusion on proposals will result in the following: First time offense: fine of 20 percent of the overall contract; second time offense: fine of fifty percent and prohibited from seeking federal contracts for one year; third time offense: permanently prohibited from seeking federal contracts.
- Establish a reporting mechanism that allows a subcontractor to report fraudulent

activity by a contractor.

The second piece of legislation would establish the Minority Business Development Program to provide technical assistance and contracting procurement assistance to help MBEs. This program will be facilitated by the Minority Business Development Agency (MBDA), under the Department of Commerce, and is the only federal agency specifically committed to minority business economic development. Specifically, this bill will:

- Authorize \$200 million over a five year period for the director of the MBDA to carry out the technical assistance program to provide help to MBEs. This would consist of their business plan, marketing, management and financing counseling.
- Give the director of the MBDA procurement powers for the purposes of providing for the fulfillment of procurement contracts and providing opportunities for qualified minority businesses with regard to such contracts.

Congressman Bobby Rush (D-IL) introduced similar legislation in the House of Representatives.

###

