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Casey Discusses Minority Business Development with Philadelphia Small Business Owners

PHILADELPHIA, PA – U.S. Senator Bob Casey (D-PA) today joined David Hinson, National Director of the Minority Business Development Agency, to meet with minority business leaders and small business owners from Philadelphia to discuss ways in which Congress and the federal government can stimulate growth of minority businesses in Philadelphia and the Commonwealth. Senator Casey discussed legislation to protect minority and women-owned businesses and help them succeed in creating jobs in Pennsylvania.

“I am pleased to be joined today by Director Hinson as we discuss issues vital to business owners in Philadelphia,” said Senator Casey. “Especially in the current economic climate, supporting small businesses is vital to our economic recovery. Today we had a great dialogue on how we can help small and minority-owned businesses by protecting them from fraud and providing support for them to grow and create jobs.”

“I am very appreciative of Senator Casey’s efforts on behalf of the minority business community and his invitation to attend today’s roundtable discussion,” said David Hinson. “The nation’s minority-owned and operated businesses have demonstrated the potential to lead the way for our nation’s economic recovery and expand our footprint in the global economy. As such it is important that we all work together to create a positive climate in which minority-owned businesses can thrive and compete.”

Senator Casey discussed two pieces of legislation he will reintroduce when the Senate reconvenes. 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 subcontractors. The second would authorize funding for the Minority 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.

Currently, prime contractors frequently list minority business enterprises (MBE) or

women business enterprise (WBE) as a subcontractor on the bid notice of award when the award is made without the knowledge of the MBE or WBE. When a contract is awarded, the MBE or WBE are notified in writing of the inclusion of the contract and are notified of the business from the contract. The bill would

- Require subcontractors to be notified on a contract for a competitive proposal made by an executive agency before the contract is awarded. A written agreement between the contractor and the subcontractor must be submitted to the contracting office and include the identity of the subcontractor, the cost of the work to be performed under the contract and the dollar amount of the subcontract.
- Fail to notify subcontractors of the inclusion on a proposal will result in the following Federal offense fine of 20 percent of the overall contract; second offense fine of 10 percent and prohibited from seeking federal contract for one year; third offense is permanently prohibited from seeking federal contract.
- 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 opportunities to help MBEs. The 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, the bill will

- Authorize \$200 million over a five year period for the director of the MBDA to carry out the technical assistance program to help MBEs. This would consist of the business plan, marketing, management and financial counseling.
- Give the director of the MBDA authority to award the use of revolving funds for the fulfillment of contracting opportunities and revolving funds for qualified minority business enterprise with government contracts.

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