

From: Clements, Tiffani S. [tiffani.clements@sba.gov]

Sent: Thursday, December 07, 2006 5:16 PM

To:

Subject: FW: Re: ASBL/GTSI

SBA's statement is below. If I can be of further assistance, please don't hesitate to contact me. Thanks.

Tiffani Shea Clements
Public Affairs Specialist for the
U.S. Small Business Administration
Office of Communications and Public Liaison
(202) 401-0035

The GTSI case involves a Navy contract in 2001 for IT hardware. The contract was classified as a small business set-aside, although there is some question as to whether that classification was proper.

On a referral from another agency, the SBA Inspector General undertook a review of the case. After review, the Inspector General referred the question to the SBA for a size determination. That is, it asked the SBA to examine the company and determine whether it was in fact a small business. The SBA found that it was not. GTSI appealed that finding to the SBA's Office of Hearings and Appeals, which upheld the SBA's finding.

Based on that decision, the SBA Inspector General prepared a recommendation that the SBA permanently debar the company from further federal procurement on the grounds that it had falsely misrepresented itself as a small business to secure the Navy contract.

Subsequent to that request, the ASBL learned of the case from a publication of the Inspector General's Office and filed a FOIA request for the name of the company, which had not been disclosed publicly. The SBA declined on the grounds that the information was still part of an investigatory proceeding, and the ASBL sued.

After reviewing the recommendation for debarment, the SBA's Office of General Counsel concluded that it did not have the authority to debar GTSI, since it was not an SBA contract. The SBA referred the matter to the Department of Defense, which assigned it to the Department of the Army. The Army recently concluded its investigation of the case and issued a "no further action" letter, declining to debar the company from federal procurement.

At that time, the SBA disclosed GTSI's name to an attorney representing the ASBL, since the investigation was no longer pending.