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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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March 10, 2008

The Honorable Steven C. Preston
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Mr. Preston:

As part of the Oversight Committee's investigation into the business practices of Blackwater Worldwide, the Committee has obtained evidence indicating that Blackwater may have applied for and received federal contracts by improperly claiming that it was eligible for small business preferences. It appears Blackwater sought these small business contracts by improperly designating its security guards as "independent contractors" rather than "employees."

I request that the Small Business Administration initiate an inquiry into whether Blackwater has complied with federal small business laws and take any appropriate enforcement action. I am enclosing for your review a memorandum I sent today to the members of the Oversight Committee. It summarizes the information that the Committee has received.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X.

If you have any questions, please contact me or ask your staff to contact Theodore Chuang or Russell Anello of the Committee staff at (202) 225-5420.

Sincerely,



Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member