



U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
INVESTIGATIONS DIVISION

May 9, 2007

The Honorable John F. Kerry
United States Senate
Committee on Small Business
and Entrepreneurship
Washington, D.C. 20510-6350

Dear Senator Kerry:

This is in response to your letter dated May 9, 2007, in reference to leaders of Women's Business Centers experiencing problems receiving grants from the Small Business Administration.

The Office of Inspector General is looking into this situation and will provide appropriate information to you concerning this situation.

If you or a member of your staff would like to contact me prior to receipt of this information, please feel free to call (202) 205-6586

Sincerely,

Eric M. Thorson
Inspector General

May 9, 2007

The Honorable Eric Thorson
Inspector General
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Mr. Thorson:

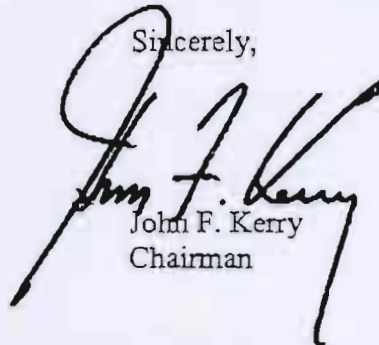
I have repeatedly heard from the leaders of Women's Business Centers (WBC) around the country that they are experiencing problems receiving their grants from the Small Business Administration (SBA), and I request that you immediately undertake an investigation into this matter.

For a number of years, the Committee on Small Business and Entrepreneurship has received complaints from WBCs about the process of applying and receiving grants from the SBA's Office of Women's Business Ownership. According to their stories, the process is unnecessarily lengthy and arduous. Information is repeatedly requested from WBCs and then lost. There have been cases where the same information is requested 10 or even 12 times. In addition, the process lacks clear guidelines and transparency. A WBC may believe that they supplied all necessary information, only to be told months later that they must supply additional documentation. As a result of these and other shortcomings, the grants are often disbursed months or even years after the quarter in which the expenses were incurred. Since most WBCs rely on SBA funding as a major source of funding, this delayed reimbursement can be disastrous, especially for new or small WBCs.

It is simply unacceptable that WBCs continue to struggle to receive funding from the SBA. Therefore, I request that you undertake a full and complete investigation to determine the extent of any problems with the grant disbursement process and make recommendations on how to improve it.

If you have any questions or need additional information, please contact Karen Radermacher on my staff at 202-224-5175. Thank you for your attention to these matters.

Sincerely,



John F. Kerry
Chairman

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350
May 9, 2007

FAX TRANSMITTAL

**TO: The Honorable Eric Thorson, Inspector General, U.S. Small
Business Administration (fax, 202-205-7382)**

FROM: Senator John F. Kerry, Chairman

Cc: Ms. Karen Radermacher
(tel, 202-224-5175; fax, 202-224-5619)

RE: Women's Business Centers getting SBA grants

Number of pages (including cover sheet): 2

If there is a problem with the transmission of this information or if you have received this information by error, please contact the person listed above at the U.S. Senate Committee on Small Business and Entrepreneurship, at 202-224-5175. Thank you.