



**Testimony of
Lawrie N. Hollingsworth, President
Asset Recovery Technologies, Inc.
on behalf of the
U.S. Women's Chamber of Commerce**

**Before the House Small Business Committee
and the
House Committee on Oversight and Government Reform
for the Hearing
"Politicizing Procurement: Would President Obama's
Proposal Curb Free Speech and Hurt Small Business?"
Thursday, May 26, 2011 at 1:30 pm
Rayburn House Office Building, Room 2154**

Ranking Member Velázquez, Chairman Graves, Ranking Member Cummings, Chairman Issa Members of the Committees. I am here today as a member of the U.S. Women's Chamber of Commerce representing our 500,000 members, three-quarters of whom are American small business owners and federal contractors.

I am Lawrie N. Hollingsworth, President of Asset Recovery Technologies, Inc. (ART) and the Price-Hollingsworth Company, Inc. My engineering business, Asset Recovery Technologies – founded in 1994, and headquartered in the Chicago area with multiple offices nationwide – provides technical services for disaster recovery and disaster response to businesses impacted by fire, flood and catastrophe, and recovery of technology assets to return businesses and state, local, and government offices to operation.

As a small business owner, I appreciate the opportunity to provide this testimony and hopefully impart some insights and perspectives from the small business viewpoint on the issues of political spending, campaign finance, transparency, and the prevention of the politicization of the procurement process through unscrupulous "pay to play" tactics.

Our political system, which is already too full of cash for influence, now faces a new threat of undisclosed corporate political spending. With the landmark Supreme Court ruling in Citizens United v. Federal Election Commission, we will see a flood of corporate campaign spending -- much of which will not be publicly disclosed. At stake are millions of dollars in undisclosed donations that will be provided by corporations to trade associations and other not-for-profit organizations that will use the money for independent campaign expenditures.

To get a grasp of the amount of money invested by our biggest firms to influence government, consider this -- the top ten federal contractors spent well over \$65M in 2010 for lobbying alone, an amount that is more than the gross annual sales of many small businesses. Small business owners do not possess the resources, financial and otherwise, to compete with the enormous amount of capital, influence, and lobbyist activity that large businesses employ to gain access to and win government contracts.

Through enacting a policy, as is detailed in the President's Executive Order, it is my hope that by being aware of the influences that govern the awarding of government contracts we will "level the playing field" for the small business owner. Currently, small business owners have only limited resources to compete with large corporations and the awarding of government contracts as successfully as they should be. While many factors are at play, certainly campaign contributions and other politically-related acts of large corporations place the small business owner at a substantial disadvantage in the awarding of government contracts.

While I feel that the stated purpose of this policy, which is to cast light upon hidden interests and influences in the letting of government contracts, is admirable and desirable, it is also desirable to impact small business with additional burdens as little as possible in the process. Small business owners already face substantial obstacles and impediments to the point of entry for government contracting, so much so that many small businesses literally give up on the process.

Clearly, regulations and paperwork that do not result in increased opportunity for small business is undesirable. However if a policy is enacted that brings greater transparency and integrity to our federal contracting and political fundraising processes in such a manner that small business owners can respond without undue burden, then I feel this is a worthy proposal deserving of the support of Small Business.

The draft Executive Order would allow the public to see the flow of money that now is hidden through third-party groups, cutout funding mechanisms, and other political strategies that allow donors to hide their contributions. Rather than hurting small businesses by politicizing the process, it is very likely this much needed transparency will de-politicize the process, help to prevent "pay-to-play" schemes, and assure small businesses can compete fairly. Public scrutiny will help prevent contractors from using their tax payer funded deep pockets to secure an unwarranted advantage in the government procurement process.

I believe certain steps can be taken to improve the draft Executive Order including raising the discloser threshold and/or establishing a contract size threshold, and assuring that the rules and regulations developed to support the proposal provide clear, easy to follow guidelines for compliance.

In conclusion, as a small business owner, I caution that care be taken to assure the implementation of this policy does not create undue burdens and barriers to opportunities for small business contractors, but support the very necessary efforts of the President to assure transparency in our contracting and political systems so as to make certain our federal procurement process is based on fair competition and not unscrupulous, undisclosed "pay to play" campaign donations.