

H.R. 5427, a bill to prohibit individuals convicted of defrauding the Government from receiving any assistance from the Small Business Administration, and for other purposes

As reported by the House Committee on Small Business on September 26, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 5427 would clarify that associates of small businesses convicted of falsely receiving financial assistance from the Small Business Administration (SBA) for programs related to COVID-19 are ineligible for future financial assistance. Under current law, those people are already ineligible for future funding from the SBA.

The SBA currently requires applicants for loans and grants to disclose whether they are being investigated for or have been convicted of defrauding a federal agency. In addition, the agency uses federal databases to identify applicants previously convicted of fraud and provides lenders with pre-approval screening to detect fraud before financial assistance is awarded.

Because the SBA already reviews applications to verify that applicants who have falsely received assistance do not receive additional federal assistance, CBO estimates that implementing H.R. 5427 would have insignificant costs. Any spending would be subject to the availability of appropriated funds.



The CBO staff contact for this estimate is Aurora Swanson. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read "Phillip L. Swagel".

Phillip L. Swagel
Director, Congressional Budget Office