

Small Business Administration Directs All 8(a) Program Participants to Produce “Financial Records” by January 5, 2026

by Alex Hontos, Eric Weisenburger, and Chris DeLong

On Friday, December 5, the Small Business Administration (“SBA”) announced that it sent letters to all entities that participate in the SBA’s 8(a) Business Development Program—over 4,300 entities, per SBA—directing those 8(a) participants to “provide financial documents for the last three fiscal years, including bank statements, financial statements, general ledgers, payroll registers, contracting and subcontracting agreements, and employment records.”¹ The letter directs participants to comply no later than January 5, 2026, and threatens non-compliant participants with loss of “eligibility to participate in the 8(a) Program” and “further investigative or remedial actions.”²

The 8(a) Program is for “small businesses ‘unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of and residing in the United States’ that demonstrate ‘potential for success,’” and it “provides participating small businesses with training, technical assistance, and contracting opportunities in the form of set-aside and sole-source awards.”³ And it is a significant driver of government-contracting spend: as of FY2023, 8(a) Program participants had over \$33 billion in federal contractual obligations.⁴ The 8(a) Program regulations provide for annual submissions and certifications, reviews of eligibility, reporting of financial information depending on annual gross receipts, and production of records. See 13 CFR § 124.112(b)-(c), .602(f). Further, many 8(a) participants have federal contracts that include audit rights, e.g. FAR 52.215-2, that may constitute the basis for the audit request, though SBA did not clarify in its press release.

According to SBA, this records request is part of the Trump Administration’s public campaign to reduce government waste—in particular, SBA asserts that this is part of the “full-scale audit of the 8(a) Program [that began] earlier this year after a DOJ investigation uncovered a \$550 million fraud and bribery scheme involving a former federal contracting officer and two 8(a) contractors.”⁵ In addition to the publicly stated purpose, this directive may also presage efforts by the Trump Administration to dismantle the 8(a) Program. The Administration’s disfavor for “DEI” is well-established, and, given the 8(a) Program is limited to “socially and economically disadvantaged individuals,” the

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text of the press release indicates the Administration may view the 8(a) Program as another form of DEI. Indeed, SBA Administrator Kelly Loeffler describes the 8(a) Program as recently becoming “a pass-through vehicle for rampant abuse and fraud – especially during the Biden Administration, which aggressively prioritized DEI over merit in federal contracting.”⁶

Given the timeframe for producing records and the holiday season, 8(a) Program participants have limited time to gather the universe of records that must be produced and assess those records prior to production. Dorsey has substantial experience in helping clients respond to records requests from the federal government and is available to help.

¹ <https://www.sba.gov/article/2025/12/05/sba-orders-all-8a-participants-provide-financial-records>.

² *Id.*

³ https://www.congress.gov/crs_external_products/R/PDF/R44844/R44844.17.pdf at PDF Page 2.

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https://www.sba.gov/sites/default/files/2024-07/Final%20FY%2023%20408%20Report%20to%20Congress_508.pdf at PDF Page 27.

⁵ <https://www.sba.gov/article/2025/12/05/sba-orders-all-8a-participants-provide-financial-records>.

⁶ *Id.*