

Congress of the United States
Washington, DC 20515

March 7, 2025

The Honorable Doug Collins
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue NW
Washington, DC 20420

Dear Secretary Collins,

We write to express our profound concern regarding the recent, abrupt elimination of contracts at the Department of Veterans Affairs (VA). As members of the House Small Business and Veterans Affairs Committees, and as members committed to serving our veterans, we work to encourage entrepreneurship and provide pathways to success, especially for those who have served our country. We are appalled at VA's haphazard, unjustified announcement of the cancellation of over \$2 billion of contracts, especially those carried out by Service-Disabled Veteran-Owned Small Businesses (SDVOSB) or Veteran-Owned Small Businesses (VOSB).

While all contracts that have been awarded to small businesses at every federal agency should be reviewed in a careful and fair manner, VA's processes deserve heightened scrutiny. As a result of VA's hierarchy of contracting preferences, established by law and upheld by courts, the overwhelming majority of contracting dollars at the VA that are awarded to small businesses are awarded to SDVOSBs. Annually, roughly 80 percent of small business contracting dollars at the VA are awarded to SDVOSBs, and the VA's SDVOSB contracts make up a third of the total contract value of the government-wide SDVOSB goal.

Accordingly, it is therefore particularly concerning that we continue to encounter conflicting reports regarding the total number of canceled contracts. Sources suggest the number could be as high as 875. Although VA official Pete Kasperowicz has shared what he says are total savings with the press, we have been unable to obtain from your team clarity on the exact number of contracts canceled or specific details of what these contracts entailed. Based on initial reporting, however, it does appear that nearly 90 percent of the canceled contracts were with SDVOSBs and VOSBs. You claimed that these cuts were made in the name of "efficiency and getting the job done for veterans," but these so-called "savings" are coming directly out of the paychecks of men and women who bravely served our country, many of whom are disabled today because of their time in uniform, with limited explanation of how the VA is operating or arriving at these conclusions.

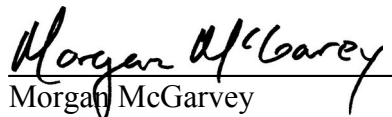
Press reports have stated that potentially hundreds of VOSBs and SDVOSBs received nearly identical emails informing them of their contract cancellations. Such actions demonstrate a profound lack of respect—not only toward our veteran business owners—but also toward our nation's veterans. When one House Veterans Affairs Committee member wrote to your team to find out exactly which contracts were eliminated, they were told that the "process is still active and going through a line-by-line review process and an approval process with VA Senior Leadership." This lackadaisical, indiscriminate approach is nothing short of alarming.

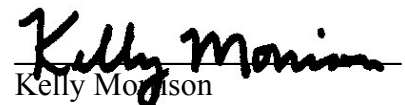
Please provide our offices with specific answers to the following questions by **March 21st, 2025**:


1. How many contracts in total have been canceled or have been identified for cancellation?
2. What is the designation breakdown of the terminated or potentially terminated contracts (SDVOSB, VOSB, WOSB, HUBZone, etc.)?
3. Have the standard procedures to terminate contracts as outlined in the FAR been followed?
4. What was the process used by the agency to identify potential contracts to eliminate?
5. What is VA's definition of "mission critical" in relation to contracts?
6. Why is the review process occurring retroactively after contract cancellation announcements?
7. Why are contracts dealing with direct care to veterans being cut?
8. Why are employees being required to justify contracts with only a single sentence?
9. Why are employees being required to justify contracts within one hour of being notified of the potential termination?
10. How are you communicating to small businesses the actions taken by the VA regarding their contract status?
11. What coordination is happening with SBA's procurement center representatives or the VA OSD BU?
12. The VA claims that the "savings" generated from cutting SDVOSB and VOSB contracts will be redirected to veterans' health care and benefits - please identify the exact programs that will be funded as a direct result of the money allocated towards terminated contracts.

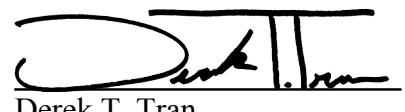
We look forward to your timely response.

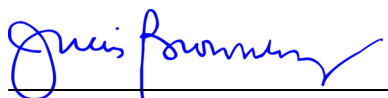
Sincerely,


Morgan McGarvey
Member of Congress

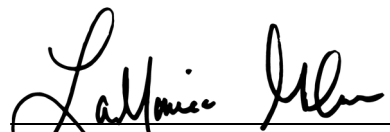

Kelly Morrison
Member of Congress


Herbert C. Conaway, Jr.
Member of Congress

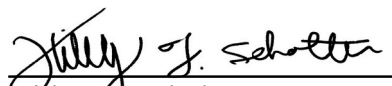

Derek T. Tran
Member of Congress



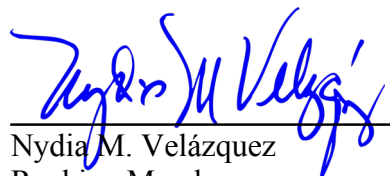
Julia Brownley
Member of Congress



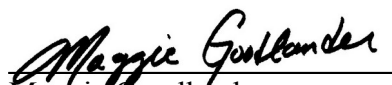
LaMonica McIver
Member of Congress



Hillary J. Scholten
Member of Congress



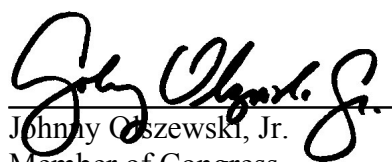
Nydia M. Velázquez
Ranking Member
Committee on Small Business



Maggie Goodlander
Member of Congress



Seth Moulton
Member of Congress



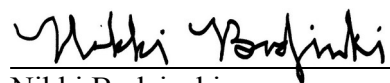
Johnny Oszewski, Jr.
Member of Congress



Lateefah Simon
Member of Congress



Delia C. Ramirez
Member of Congress



Nikki Budzinski
Member of Congress