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March 26, 2002

President George W. Bush
1600 Pennsylvania Avenue NW
Washington, DC 20500
Dear Mr. President;

I am writing this letter in response to the speech you delivered to the attendees of the Women Entrepreneurship in the 21st Century Summit. As a woman entrepreneur and owner of a small business, your speech struck a chord with me. Though I understand you may never see this letter, it is imperative that I describe to you what it meant to me to hear your support of small businesses and to plead for your help from what we see as an attack on small businesses by the Department of Veterans Affairs' Office of the Inspector General.

Mr. President, you are right when you say that small businesses are the personification of the American values of hard work, risk-taking and independence. For nearly twenty years, we have been striving to bring medical supplies and equipment to the heroes who have served our country or are currently serving our country and it has not always been an easy road. When I listened to you recount the experiences of Nancy Miller and Sherrin Holder my spirit was renewed because their feelings are true. You do succeed based on your own ability, never to be limited by the "glass-ceiling." And yes, it is an indescribable feeling when you see someone else excel and mature in a position that you created.

Furthermore, I concur with your beliefs that the free enterprise system promotes liberty. Government's role is not one of handouts or entitlements. Instead, government's role is to ensure that the playing field is level for all involved. Yet our ability to provide the government with the products they need is being threatened by the very people we serve.

My concern is that a report issued last May by the Office of the Inspector General of the VA (01-01855-75 "Evaluation of the Department of Veterans Affairs Purchasing Practices") is very detrimental to my company, to small businesses across the country, and to our nation's Veterans. The VA OIG

Report makes four recommendations to the Secretary of Veterans Affairs. While I agree that the first three recommendations would strengthen and improve the Federal procurement process, I strongly believe that the fourth recommendation could undermine any reforms the Secretary of VA implements, by violating some of the basic principles on which our Government operates.

"4. Implement a policy limiting contracts with distributors to distribution services only, unless the distributor can show that it is responsible for negotiating and establishing prices for the majority of items it distributes to each manufacturer's commercial customers."

The report completely ignores standard commercial practices for the purchase of medical device and technology products, ignores the mandates of existing federal procurement statutes and intrinsic federal procurement policy to provide maximum practicable opportunities for women-owned and other small business concerns to participate in acquisitions. Moreover, the report is fundamentally inconsistent with the Small Business Act and its implementing regulations. To further highlight the issue and perhaps shed some light on the findings of the report, I will share three interesting pieces of information we received from recent conversations with the VA Office of Small Disadvantaged Business Utilization:

1. VA small business utilization is down and below its goal.
2. The Secretary's task force charged with making recommendations to improve procurement policy has no small business representation.
3. Both the VA's Office of Small Disadvantaged Business Utilization and the Small Business Administration Office of Advocacy have expressed their utter disapproval of this recommendation. These entities, however, simultaneously explained that, to their regret, they have little hope of halting implementation of the OIG's recommendations.

Mr. President, I implore you to investigate this issue and act on your findings. Time is of the essence in this matter. We have recently learned that Representative Lane Evans of Illinois has introduced legislation that mirrors the recommendations made by the OIG of the VA. Passage of HR 3645 will begin the erosion of your sterling agenda.

God bless you,
Betty R. Jackson, C.P.A., Ph.D.

P.S. I have attached a position paper we wrote regarding the OIG's report
< <BUFFALO SUPPLY Position Paper on OIG Recommendations.doc> >



- BUFFALO SUPPLY Position Paper on OIG Recommendations.doc