



Weekly Report for May 11, 2018

### **SMALL BUSINESS ADMINISTRATION**

#### **Masstech, Richard Lee, and Arnold Lee to Pay U.S. \$1.9 Million to Settle False Claims Act Allegations Relating to Small Business Innovation Research Awards**

Columbia-based MassTech, Inc., its former Chief Executive Officer, Arnold Lee, and its former Chief Financial Officer, Richard Lee, have agreed to pay the United States \$1.9 million to resolve allegations that MasTech falsely certified that it was a small business concern in order to obtain Small Business Innovation Research (SBIR) awards. The settlement agreement was announced today by United States Attorney for the District of Maryland, Robert K. Hur; Inspector General for the National Science Foundation, Allison Lerner; Special Agent in Charge for NASA Office of Inspector General, Michael Sonntag; and Special Agent in Charge for the Office of Inspector General for the Department of Health and Human Services, Maureen Dixon.

### **DEPARTMENT OF DEFENSE**

#### **Class Deviation from the Federal Acquisition Regulation (FAR) to Increase the Threshold for Requiring Certified Cost or Pricing Data.**

[Notice was provided](#) to serve as consultation in accordance with FAR 1.404, which authorizes agencies to issue a class deviation to implement a section of the National Defense Authorization Act for Fiscal Year 2018 to increase the threshold for requiring certified cost or pricing data. The objective of the statute and this deviation is to implement Section 811 of the National Defense Authorization Act for Fiscal Year 2018, which amends 10 U.S.C. 2306a and 41 U.S.C. 3502, to increase the threshold for certified cost or pricing data. This increase raises the threshold for requiring Certified Cost or Pricing Data from \$750,000 to \$2,000,000.

#### **Class Deviation--Contract Closeout Authority**

Effective immediately, contracting officers may close out contracts, or groups of contracts, through the issuance of one or more modifications to such contracts without completing a reconciliation audit or other corrective action in accordance with Federal Acquisition Regulation 4.804-5(a)(3) through (15), as appropriate, if each contract following a defined list of requirements, which can be found [here](#).

### **GOVERNMENT ACCOUNTABILITY OFFICE**

#### **GAO's IT Expert Talks What to Expect on the Next FITARA Scorecard**

According to the [Federal Times](#), the Government Accountability Office (GAO) releases an information technology report card twice each year, grading the 24 Chief Financial Officers Act of 1990-designated agencies on their adherence to IT best practices. Now awaiting its sixth iteration, the Federal Information Technology Acquisition Reform Act (FITARA) scorecard has become the defining evaluation of agency commitment to IT modernization. It has also evolved to include other legislation, such as the Modernizing Government Technology (MGT) Act and Making Electronic Government Accountable by Yielding Tangible Efficiencies (MEGABYTE) Act, in its evaluations.

## **WHITE HOUSE**

### **Trump Calls on Congress to Pull Back \$15 Billion in Spending, Including on Children's Health Insurance Program**

According to the [Washington Post](#), President Trump is sending a plan to Congress that calls for stripping more than \$15 billion in previously approved spending, with the hope that it will temper conservative angst over ballooning budget deficits. Almost half of the proposed cuts would come from two accounts within the Children's Health Insurance Program (CHIP) that White House officials said expired last year or are not expected to be drawn upon. An additional \$800 million in cuts would come from money created by the Affordable Care Act in 2010 to test innovative payment and service delivery models.

## **CAPITOL HILL**

### ***SBA Administrator Linda McMahon to Testify Before Congress***

On Tuesday, May 15, 2018 at 3:30 PM, Linda McMahon, Administrator of the Small Business Administration, will testify before the Senate Committee on Small Business and Entrepreneurship, to discuss the state of small business affairs in the United States. You can view the hearing live and find more information [here](#).

### ***House of Representatives Passes 7 Small Business Bills***

On Tuesday, May 8, 2018, the U.S. House of Representatives passed seven bills relating to a wide variety of issues facing small businesses, including cybersecurity, women's entrepreneurship, and oversight. House Small Business Committee Chairman, Steve Chabot, has praised the chamber's decision, saying, "I applaud the bipartisan work our Committee and the full House has done to safeguard 30 million small businesses." The bills are:

- [H.R. 3170](#) – Small Business Development Center Cyber Training Act
- [H.R. 4743](#) - Small Business 7(a) Lending Oversight Reform Act
- [H.R. 4754](#) - Change Order Transparency for Federal Contractors Act
- [H.R. 1680](#) - Women's Business Centers Improvements Act
- [H.R. 1702](#) - Small Business Development Centers Improvement Act
- [H.R. 4111](#) - Spurring Business in Communities Act
- [H.R. 5236](#) - Main Street Employee Ownership Act

These measures would now need to be passed by the Senate in order for President Trump to sign them into law.

## **PILIEROMAZZA BLOGS**

### **Legislative Remedies for Surviving Midsize**

By Cy Alba

Back when you started your small business, and the very prospect of making payroll for the month was nerve-wracking, you probably never imagined that your company might actually become too successful. Now, as you get closer to midsize, this very concern may have crossed your mind. [\[Read More\]](#)

### **The Protests Are Coming: Draft DoD Guidance Reveals How Cyber Readiness Will Impact Contract Evaluations**

By Jon Williams

We have been blogging and giving webinars since last year about the DoD requirements around cybersecurity for contractors that are subject to DFARS 252.204-7012. Please view our past blogs and webinars here and

here to get more of the backstory. In a nutshell, DoD contractors operating nonfederal IT systems and subject to DFARS 252.204-7012 were required to have a system security plan ("SSP") in place by December 31, 2017, to demonstrate compliance with the recommended security controls in NIST SP 800-171. Although the DFARS requirements were black-and-white, there was a fair amount of uncertainty late last year and continuing into this year about what contractors needed to do to comply and if/how DoD would enforce the requirements. [[Read More](#)]