

119TH CONGRESS
1ST SESSION

H. R. 825

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 2025

Received; read twice and referred to the Committee on Small Business and
Entrepreneurship

AN ACT

To prohibit individuals convicted of defrauding the Govern-
ment from receiving any assistance from the Small Busi-
ness Administration, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Assisting Small Busi-
3 nesses Not Fraudsters Act”.

4 **SEC. 2. ASSISTANCE PROHIBITED AFTER FRAUD CONVICT-**
5 **TION.**

6 (a) IN GENERAL.—Section 16 of the Small Business
7 Act (15 U.S.C. 645) is amended by adding at the end the
8 following new subsection:

9 “(h) FINANCIAL ASSISTANCE PROHIBITION.—

10 “(1) IN GENERAL.—An associate of a small
11 business concern who is finally convicted of any
12 crime involving or relating to financial misconduct or
13 a false statement with respect to a covered loan or
14 grant shall be ineligible to receive any financial as-
15 sistance from the Administrator, other than financial
16 assistance under section 7(b).

17 “(2) BUSINESS CONCERNS.—A small business
18 concern that has as an associate an individual sub-
19 ject to paragraph (1) shall be ineligible to receive
20 any financial assistance from the Administrator,
21 other than financial assistance under section 7(b).

22 “(3) DEFINITIONS.—In this subsection:

23 “(A) ASSOCIATE.—The term ‘associate’
24 means, with respect to a small business con-
25 cern—

1 “(i) an officer, director, or owner of
2 more than 20 percent of the equity of, or
3 a key employee of, such small business
4 concern;

5 “(ii) any entity not less than 20 per-
6 cent owned or controlled by one or more
7 individuals referred to in clause (i); and

8 “(iii) any other individual or entity in
9 control of or controlled by such small busi-
10 ness concern, except for a licensed small
11 business investment company (as defined
12 in section 103(3) of the Small Business In-
13 vestment Act of 1958 (15 U.S.C. 662(3))).

14 “(B) COVERED LOAN OR GRANT.—The
15 term ‘covered loan or grant’ means—

16 “(i) a loan made under—

17 “(I) paragraph (36) or (37) of
18 subsection (a) of section 7; or

19 “(II) subsection (b) of such sec-
20 tion in response to the COVID–19
21 pandemic; or

22 “(ii) a grant made under—

23 “(I) section 5003 of the Amer-
24 ican Rescue Plan Act of 2021 (15
25 U.S.C. 9009c); or

1 “(II) section 324 of the Eco-
2 nomic Aid to Hard-Hit Small Busi-
3 nesses, Nonprofits, and Venues Act
4 (15 U.S.C. 9009a).

5 “(C) FINALLY CONVICTED.—The term ‘fi-
6 nally convicted’ means, with respect to a per-
7 son, that such person has been convicted of an
8 offense and such conviction—

9 “(i) has not been appealed and is no
10 longer appealable because the time for tak-
11 ing an appeal has expired; or

12 “(ii) has been appealed and the ap-
13 peals process for such conviction is com-
14 pleted.”.

15 (b) APPLICABILITY.—Subsection (h) of section 16 of
16 the Small Business Act (15 U.S.C. 645), as added by sub-
17 section (a) of this Act, shall not apply to any contract or
18 other agreement entered into by the Government prior to
19 the date of the enactment of this Act.

Passed the House of Representatives February 24,
2025.

Attest: KEVIN F. MCCUMBER,
Clerk.