

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2882
OFFERED BY MR. GRAVES OF MISSOURI**

Strike all that follows after the enacting clause, and
insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Improving Opportuni-
3 ties for Service-Disabled Veteran-Owned Small Businesses
4 Act of 2013”.

**5 SEC. 2. SBA TO ASSUME CONTROL OF VERIFICATION OF
6 OWNERSHIP AND CONTROL STATUS OF AP-
7 PPLICANTS FOR INCLUSION IN THE DATABASE
8 OF SMALL BUSINESSES OWNED AND CON-
9 TROLLED BY SERVICE DISABLED VETERANS
10 AND VETERANS.**

11 The Small Business Act (15 U.S.C. 631 et seq.) is
12 amended by adding at the end the following:

13 “SEC. 47. VETS FIRST PROGRAM.

14 “In order to increase opportunities for small business
15 concerns owned and controlled by service-disabled veterans
16 and small business concerns owned and controlled by vet-
17 erans in the Federal marketplace, not later than 180 days
18 after the effective date of this section, the Administrator

1 shall enter into a memorandum of understanding with the
2 Secretary of Veterans Affairs that transfer control and ad-
3 ministration of the program under subsections (e) through
4 (g) of section 8127 of title 38, United States Code, to the
5 Administrator, consistent with the following:

6 “(1) Not later than 270 days after completing
7 the memorandum of understanding, the Adminis-
8 trator shall make rules to carry out the memo-
9 randum. If the Administrator does not make such
10 rules by such date, the Administrator may not exer-
11 cise the authority under section 7(a)(25)(A) until
12 such time as those rules are made.

13 “(2) The Administrator shall assume authority
14 and responsibility for maintenance and operation of
15 the database and for verifications under the pro-
16 gram. Any verifications undertaken by the Adminis-
17 trator shall employ fraud prevention measures at the
18 time of the initial application, through detection and
19 monitoring processes after initial acceptance, by in-
20 vestigating allegations of potential fraud, removing
21 firms that do not quality from the database, and re-
22 ferring cases for prosecution when appropriate

23 “(3) Any appeal by a small business concern, at
24 the time that verification is denied or a contract is
25 awarded, of any determination under the program

1 shall be heard by the Office of Hearings and Ap-
2 peals of the Small Business Administration.

3 “(4)(A) The Secretary shall, for a period of 6
4 years commencing on a date agreed to in the com-
5 pleted memorandum, reimburse to the Administrator
6 of the Small Business Administration any costs in-
7 curred by the Administrator for actions undertaken
8 pursuant to the memorandum from fees collected by
9 the Secretary of Veteran Affairs under multiple-
10 award schedule contracts. The Administrator and
11 the Secretary shall endeavor to ensure maximum ef-
12 ficiency in such actions. Any disputes between the
13 Secretary and the Administrator shall be resolved by
14 the Director of the Office of Management and Budg-
15 et.

16 “(B) The Secretary and the Administrator may
17 extend the term of the memorandum of under-
18 standing, except for the reimbursement requirement
19 under subparagraph (A). The Secretary and the Ad-
20 ministrator may in a separate memorandum of un-
21 derstanding provide for an extension of such reim-
22 bursement.

23 “(5) Not later than 180 days after the date of
24 enactment of this section, and every 180 days there-
25 after, the Secretary and the Administrator shall

1 meet to discuss ways to improve collaboration under
2 the memorandum to increase opportunities for serv-
3 ice-disabled veteran-owned small businesses and vet-
4 eran-owned small businesses.

5 “(6) Not later than 180 days after the date of
6 enactment of this section, and every 180 days there-
7 after, the Secretary and the Administrator shall re-
8 port to the Committee on Small Business and the
9 Committee on Veterans’ Affairs of the House of
10 Representatives, and the Committee on Small Busi-
11 ness and Entrepreneurship and the Committee on
12 Veterans’ Affairs of the Senate on the progress
13 made by the Secretary and the Administrator imple-
14 menting this section.”.

15 **SEC. 3. MEMORANDUM OF UNDERSTANDING.**

16 Section 8127(f) of title 38, United States Code, is
17 amended by adding at the end the following:

18 “(7) Not later than 180 days after the effective
19 date of this paragraph, the Secretary shall enter into
20 a memorandum of understanding with the Adminis-
21 trator of the Small Business Administration con-
22 sistent with section 47 of the Small Business Act,
23 which shall specify the manner in which the Sec-
24 retary shall notify the Administrator as to whether

1 an individual is a veteran and if that veteran has a
2 service-connected disability.”.

