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SMALL BUSINESS ADMINISTRATION

Better Oversight of SBIC Programs Could Reduce Federal Losses

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Madam Chair and Members of the Committee:

We are pleased to be here today to participate in your hearing on the Small Business Administration's (SBA) Small Business Investment Company (SBIC) and Specialized Small Business Investment Company (SSBIC) programs. Licensed and regulated by SBA, these privately owned and managed investment firms--currently numbering 187 active SBICs and 90 active SSBICs--provide funding to small businesses through loans and equity investments. SBICs and SSBICs use their own funds and funds obtained by borrowing at favorable rates with an SBA guarantee and/or by selling preferred stock to SBA. According to SBA, over the past 35 years, the SBIC and SSBIC programs have provided approximately $12 billion in financing to 75,000 small businesses.

With me today is the Deputy Director of GAO's Office of Special Investigations, who will testify on the results of an investigation requested by you and the Ranking Minority Member into prohibited practices and regulatory improprieties by SBICs and SSBICs.[1]

In testimony and reports for the Committee earlier this year, we reported that SBA had successfully increased the frequency of its examinations of SBICs' and SSBICs' performance--SBA's primary oversight tool--from every 22 months to every 14 months, on average, and that under recently revised licensing procedures, new SBICs were more experienced and better capitalized. We also provided information on projected losses to the government from SBICs and SSBICs that are currently in liquidation and on SSBICs that repurchased stock under SBA's Three Percent Preferred Stock Repurchase Program.

At your request, this testimony today will focus on (1) SBA's actions and initiatives taken to improve the recovery of federal funds from liquidations of SBICs and SSBICs, (2) weaknesses in SBA's oversight and management that continue to contribute to liquidation losses, (3) SBA's implementation of the stock repurchase program, and (4) the placement of SBA's function for examining SBICs and SSBICs. This testimony summarizes our past reports and testimonies for you and others. (See list of related GAO products in app. I.) Today's testimony also completes the work we presently have underway for you, including a review of 36 SBICs and SSBICs that entered liquidation since January 1993. On the basis of this cumulative body of work, we are making a number of recommendations to the Administrator, SBA, and offer a matter for congressional consideration. We met with SBA's Acting Associate Deputy Administrator for Economic Development, her deputy, the Acting Associate Administrator for the Investment Division, and other SBA officials to discuss the information in a draft of this

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[1]For a transcript of the statement, see Small Business Administration: Prohibited Practices and Inadequate Oversight in SBIC and SSBIC Programs (GAO/T-OSI-95-16, Sept. 28, 1995).

statement. The officials declined to provide comments on our statement or recommendations at this time.

In summary, our work has shown that while SBA has taken actions that should help reduce losses when firms fail, weaknesses in SBA's management and oversight of the programs continue to place SBA's funds at risk. Also, the stock repurchase program has benefitted healthy firms at a substantial cost to the government. Specifically, we found the following:

-- Recent SBA actions and legislative changes should help reduce future program losses. For example, firms licensed since 1994 must demonstrate experience in areas in which they plan to invest and have substantially more private capital; failed SBICs and SSBICs may no longer declare bankruptcy; and, unless approved by SBA, SBICs and SSBICs may no longer subordinate SBA's position as a creditor.

-- Weaknesses in SBA's oversight and management continue to place federal funds at risk. Periodic examinations identify violations that often go uncorrected from one examination cycle to the next. SBA's policy of allowing extensive time to rehabilitate financially troubled firms--the average time to move such firms into liquidation is 16 months--may actually diminish recoveries because it gives firms additional time to sell off assets. Data on the value of assets that SBA uses to identify financially troubled firms for liquidation are often overstated, triggering liquidations too late and limiting SBA's ability to recover federal funds. SBA expects to ultimately lose $304.4 million from the 189 firms currently in liquidation. SBA does not have a strategy to target oversight efforts or ensure more accurate asset valuation.

-- Twenty-one SSBICs have completed a stock repurchase; 47 more firms are potentially eligible. For the 21 firms, SBA received $17.7 million for its investment of $50.3 million, and it forgave or allowed to be amortized (written off) $15.3 million in unpaid dividends owed to SBA. This return of about 27 cents on the dollar is well below the 52 cents on the dollar that SBA expects to average in liquidation recoveries. Most of the firms that benefitted were financially healthy; several received subsequent SBA financing.

-- Although we found no indication of efforts to restrict or influence examinations of SBICs and SSBICs, the organizational placement of the examination function--in SBA's office that also manages the program--may impede the

office's independence and its ability to rigorously pursue corrective actions.

BACKGROUND

The SBIC and SSBIC programs are administered by SBA's Investment Division, which includes the Offices of Licensing, Operations, Examinations, and Liquidation. The Office of Licensing is responsible for screening and licensing applicants for entry into the programs. The Office of Operations monitors, regulates, and provides operational assistance to the licensees. Its analysts are responsible for identifying regulatory or financial violations and overseeing corrective actions. The analysts use the licensee's annual audited financial statement, financing reports that identify the characteristics of investments made by each licensee, and the results of periodic on-site examinations of licensees conducted by the Office of Examinations. Analysts also initiate actions to move failing firms into liquidation when (1) their losses, in comparison to their private capital, exceed an acceptable level (capital impairment); (2) they default on their agreement to repay funds owed to SBA; or (3) they commit regulatory violations, such as making ineligible investments. SBICs and SSBICs that voluntarily surrender their license to withdraw from the program are also regarded as liquidations.

The Office of Liquidation determines which method of liquidation is more advantageous for SBA to pursue and oversees that process. Methods of liquidation include receiverships, voluntary settlement agreements, and the voluntary transfer of assets. Receiverships and the voluntary transfer of assets are the only methods through which SBA takes control of the operation of a firm and gains access to its records. Currently, 189 SBICs and SSBICs in liquidation owe $501 million to SBA. Of the 189 firms, 92 are in (or pending) receiverships, 50 have (or are pending) voluntary assignment of their assets to SBA, 20 have entered voluntary settlement agreements, 10 are undergoing bankruptcy proceedings,[2] and 17 are in other miscellaneous stages of the liquidation process.

RECENT SBA ACTIONS AND LEGISLATIVE CHANGES SHOULD HELP IMPROVE RECOVERY OF FEDERAL FUNDS

In our March 1995 testimony before this committee,[3] we discussed recent procedural and legislative changes that SBA believes will strengthen the SBIC program and reduce its future

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[2]Bankruptcy was removed as an option by the Bankruptcy Amendments Act of 1994.

[3]Small Business Administration: Status of Small Business Investment Companies (GAO/T-RCED-95-145, Mar. 28, 1995).

losses. In April 1994, SBA initiated new licensing procedures that encourage admission to the program of more highly capitalized and experienced applicants. According to SBA officials, the minimum private capital required in prior years was so low that many SBICs and SSBICs became financially impaired and eventually had to be liquidated, with substantial losses to SBA. By increasing the minimum amount of private capital required, SBA officials predict that newly licensed firms will have greater economic viability; if a firm does undergo liquidation, less SBA funds will be exposed to risk. The 55 SBICs that have been licensed under the new capital requirements entered the program with an average of approximately $15 million in private capital. In comparison, SBICs licensed prior to fiscal year 1994 averaged $4.8 million in private capital. No SSBICs have been licensed since the new requirements were adopted.

SBICs licensed since 1994 are also required to have managers with relevant experience. In the past, poorly managed firms often became financially impaired, and SBA incurred substantial losses when the companies were liquidated. SBA believes that its recent initiative of requiring firms' managers to have a demonstrated level of experience in the area(s) that they plan to invest in will correct this problem.

The Congress and SBA made changes to the program that were implemented in 1994; these changes should help decrease losses from future liquidations. For example, the Congress eliminated the use of Chapter 11 bankruptcy as an option for failing SBICs and SSBICs. Before that change, SBA was unable to take any action to prevent an SBIC or SSBIC from selling off its assets while under bankruptcy protection. A June 1995 report by the SBIC Reinvention Council estimated that SBA had lost millions as a result of asset dissipation by firms in bankruptcy protection, noting that SBA was powerless to act when SBIC owners took money out of the company while in bankruptcy.[4] SBA can now place companies under liquidation without fear that they will declare bankruptcy.

Another significant change to the program occurred when SBA issued regulations limiting the amount of third-party debt that SBICs and SSBICs may incur without SBA's approval. Regulations in effect before 1994 allowed a licensee to use its collateral to obtain additional funds from banks or other private sources without SBA's knowledge or approval--subordinating the debt to SBA. Thus, if a firm failed and had to be liquidated, SBA was required to use the resulting assets to pay the firm's other creditors--including the newly acquired third-party debt--before SBA could recover its money. SBA's position as creditor was often weakened by events it had no control over or knowledge of. For example, after it placed

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[4]The SBIC Reinvention Council comprised representatives from SBA, the Congressional Budget Office, and consultants.

one SBIC under liquidation, SBA discovered that the firm had pledged nearly all of its valuable securities (publicly traded stocks) as collateral for a $14 million bank loan and a $3 million loan from one of its owners. Although the SBIC owed SBA $21.1 million, and the SBIC had sufficient assets to cover that debt, SBA's position as a creditor was subordinate to the other two loans.

OVERSIGHT AND MANAGEMENT WEAKNESSES CONTINUE TO CONTRIBUTE TO SBA'S LOSSES

SBA does not have a risk-based oversight strategy for targeting its limited oversight resources to the areas that pose the greatest risk of losses to the government. Although recent procedural and legislative changes may reduce the number of new licensees that will enter liquidation and enhance SBA's ability to recover funds owed by liquidated SBICs and SSBICs, weaknesses in oversight and management of the program will continue to place SBA's investments at risk. SBA expects to ultimately lose $304.4 million on firms currently in liquidation. We found the following management and oversight problems in our review of 36 firms that have entered liquidation since January 1, 1993:

- -- Regulatory violations disclosed by SBA examiners are not adequately followed up and resolved.
- -- SBA's policy of rehabilitating financially troubled SBICs and SSBICs hinders SBA's goal of maximizing recoveries from liquidated companies.
- -- Data used by SBA to monitor the financial health of the licensees are not adequate to alert SBA when funding is at risk.

Inadequate Follow Up of Examination Findings Increases Liquidation Losses

SBA's oversight of the financial performance of licensees entering liquidation is still hindered by inadequate follow-up of regulatory violations reported by the Office of Examinations. As we reported in our March 28, 1995 testimony, during the period of February 28, 1994, to February 28, 1995, SBA examiners identified 136 violations that were unresolved from the previous examination period. SBA had completed 216 examinations of SBICs and SSBICs during this period. The 136 unresolved violations were identified in 79 of these examinations.

The 36 liquidations we reviewed included 14 firms that had 20 unresolved violations from previous examination cycles. These violations included providing financing in which loan proceeds were used to pay off a personal debt, the failure to divest of

unauthorized portfolio financings as directed by SBA, and paying excessive salaries to the firms' owners. The Office of Examinations is not authorized to ensure that examination findings are adequately resolved. The responsibility for tracking the resolution of examination findings rests, instead, with the Office of Operations. In fact, examiners are not routinely informed of when or how examination findings are resolved.

Violations reported by the Office of Examinations--particularly those involving the financial soundness of a firm--warrant rigorous follow up and correction to protect SBA's investment. SBA has exercised a policy of giving SBICs and SSBICs considerable time and latitude to address violations. However, that policy has resulted in losses to SBA. Of the 36 liquidating firms we reviewed, 24 had been cited in examinations for excessive financial impairment. For some of the firms, the impairment increased substantially by the time the firm was put under liquidation. For example, a March 1991 examination reported 10 regulatory violations by an SBIC--3 of which were unresolved when the next examination report was issued in May 1993. That examination report also disclosed (1) that the SBIC had committed violations involving self-dealing, conflicts of interest, the control of small concerns, and the cost of money and (2) that it had losses well in excess of its private (non-SBA-provided) capital and assets. Such patterns of regulatory violations and financial impairment, left uncorrected, cannot adequately safeguard SBA's investment and may send a message to other firms that SBA's requirements are not important.

Losses May Increase If Financially Troubled Firms Are Not Transferred Promptly to Liquidation

Despite findings in a March 1993 report by SBA's Office of Inspector General (OIG) that delays in transferring financially troubled firms for liquidation reduce the potential for the recovery of federal funds, SBA is still slow in making these transfers. Our review shows that it takes SBA an average of 16 months to initiate liquidation procedures against SBICs and SSBICs that are found to be in default or capitally impaired.[5] This is up from the 15-month average at the time of the OIG's review. We observed that SBA will often repeatedly extend additional time for firms to improve their financial condition. In some instances, firms submitted plans to improve their condition during the initial time and were given time to enact the plans; others delayed

[5]SBA defines capital impairment as the ratio of the cumulative actual losses (from operations and investment transactions) and unrealized losses (from decreases in the value of securities) to the private capital invested in the SBIC or SSBIC. Anything above 100-percent impairment places SBA's funds at risk.

providing the requested financial information or requested and were granted additional time to correct impairment.

We found no indication that SBA's policy of affording financially troubled SBICs and SSBICs every opportunity to correct their financial problems has resulted in financial improvements to the firms. On the contrary, this policy may actually diminish the Office of Liquidation's ability to maximize recoveries. For example, the examination report on one SSBIC that we reviewed revealed that the company was capitally impaired by about 79 percent as of November 1992. The report acknowledged that SBA was aware of the problem and gave the company until March 31, 1993, to correct the impairment. The problems were not corrected, but the company was not transferred into liquidation until April 1994. By then, the company's cumulative losses had almost equaled its total capital investment.

SBA explained in its response to the OIG report that it had established a "watch list" of SBICs and SSBICs experiencing financial difficulty as part of its efforts to closely monitor their activities and assist in timely transfers to the Office of Liquidation when warranted. Our review included 32 companies that were previously on the watch list; all were eventually placed under liquidation. On the basis of available data, we determined that 24 companies whose impairment averaged 81.5 percent when first identified experienced increased impairment to an average of 125 percent by the time the companies were transferred to liquidations. One company that owed SBA over $25 million reported that it was 68-percent financially impaired in its financial statement to SBA for the year ending December 31, 1991. An examination report for the period ending December 31, 1992, found the company to be 117-percent impaired. The company was placed under liquidation in May 1993; over $4 million of SBA's funding is now at risk. Timely intervention might have prevented this risk.

Overstated Asset Valuation Is a Serious and Costly Problem That Oversight Does Not Address

SBA's procedures to identify financially troubled SBICS and SSBICs before federal funds are exposed is not working because the data that SBA relies on--asset valuation data provided by the SBICs and SSBICs--are often overstated. According to SBA officials, the true values may not be known until firms enter liquidation. SBA knows that its oversight cannot identify how often this is occurring. This is a significant impediment because asset valuation is used for several purposes for which there is an incentive for firms to report a favorable valuation and, in fact, disincentives to report deteriorating asset values. As assets increase in value, SBA views a firm as more creditworthy. As assets decrease, a firm can be forced out of business through liquidation. By relying on data that SBA knows are often

overstated, SBA moves firms into liquidation too late, and recoveries are less than they might otherwise have been.

SBA officials told us that when 13 of the 36 firms we reviewed were placed in liquidation, SBA discovered that each had overstated the value of its assets. For example, one SSBIC that had received $550,000 in SBA funding had reported an impairment level of less than 3 percent. However, after entering liquidation, SBA discovered that the company was actually 140 percent impaired--placing $220,000 of SBA's funds at risk. According to an SBA official, the owner of this company kept two sets of records--one showing the true value of the assets and one with overstated values. In another instance, an SSBIC's investment portfolio was reported to be valued at over $3 million on its annual financial statement submitted to SBA in 1991. No annual reports were submitted after that date. When the firm entered liquidation in May 1993, SBA staff found that assets were only valued at about $600,000.

SBA's examinations--which average about once every 14 months--may include a visit to one or two small businesses in an SBIC's or SSBIC's investment portfolio. However, over 10,000 small businesses currently have loans or investments from an SBIC or SSBIC. The examination visit may be the only opportunity that SBA has to observe an investment, and the examination would not include assessing the value of the small business's assets.

Prompted by a recent congressional reporting requirement, SBA has developed a database of all licensees' small business investments, including the names, addresses, amount invested, and current value of investment as reported by the SBIC or SSBIC. However, SBA does not have a system in place that will help it routinely analyze the new database to identify or detect investment problems. For example, an analysis of the database could identify

-- inconsistencies in the valuation of small businesses that have loans from more than one SBIC or SSBIC,

-- patterns in valuation by type and amount of small business investments,

-- deviations in valuation by type and amount of small business investments, and

-- duplications by names of owners or addresses where the same collateral may be used.

According to the Acting Director of Liquidation, the database has the potential to facilitate SBA's oversight of the firms' asset valuations. He believes that a data system could be designed to detect those types of inconsistencies, duplications, and other indicators, or "red flags," of potential problems. While the

Acting Director believes that this should be done and hopes to do this, no time frames have been set for implementing the data controls and designing such a system.

COSTLY STOCK REPURCHASE PROGRAM
HAS HAD LIMITED BENEFIT

In November 1989, the Congress authorized SBA to allow SSBICs to repurchase their outstanding 3-percent dividend-bearing preferred stock held by SBA.[6] In 1992, when SBA announced a pilot repurchase program, it stated that the primary purpose of the program was to maximize the capacity of SSBICs to provide financing to businesses owned by persons whose participation in the free enterprise system is hampered by social or economic disadvantage. SBA further stated that its policy was to execute the program (1) without providing windfall opportunities to SSBICs, their management, or owners and (2) without encouraging the transfer of cash from SSBICs into SBA to the detriment of the program's effectiveness and liquidity. Nine SSBICs participated in the pilot; six completed a repurchase. Discussion by the committee that SBA established to evaluate the pilot focused on two major issues: (1) whether to offer the program only to financially distressed SSBICs as part of a restructuring plan and (2) whether to repurchase all stock at a 35-percent discount. No evaluation was prepared by the committee, and in April 1994 SBA implemented the current Three Percent Preferred Stock Repurchase Program. Under the program, all eligible SSBICs can repurchase their stock at 35 percent of the price that SBA paid; distressed firms are forgiven any unpaid accrued dividends, and nondistressed firms are allowed to fully amortize (write off) the dividends over a 5-year period.

Last month, we reported to you that 21 SSBICs had completed a repurchase. Together, they paid SBA $17.7 million to buy back stock that the agency had earlier purchased for $50.3 million.[7] SBA also forgave or allowed to be amortized $15.3 million in accrued unpaid dividends owed to it in connection with the stock. SBA's return on the total debt owed it by those 21 firms was 27 cents on the dollar--well below the 52-percent return on the dollar that SBA expects to average in liquidation recoveries.

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[6]In 1972, the Congress authorized SBA to purchase 3-percent preferred stock from SSBICs at par value with no mandatory redemption requirement. The SSBICs were not required to pay SBA accrued dividends on this stock, although distribution to other shareholders cannot be made until those dividends are paid. On Nov. 21, 1989, P.L. 101-162 authorized SBA to establish a repurchase program.

[7]Small Business: SBA's Preferred Stock Repurchase Program (GAO/RCED-96-249FS, Aug. 18, 1995).

An additional 46 SSBICs have 3-percent preferred stock outstanding and may be eligible to participate in the program. If all 46 completed a repurchase, SBA would receive $31 million for stock it purchased earlier for $88 million; it would waive/amortize an estimated $22 million in accrued unpaid dividends. In total, SBA would release about $176 million of indebtedness for about $49 million.

Our review of the 21 SSBICs that have completed a repurchase found the following:

-- The program has primarily benefitted financially viable SSBICs. Fourteen of the 21 SSBICs that completed a repurchase were considered nondistressed by SBA and had capital impairment below 10 percent. In fact, 12 of the SSBICs had no impairment. One had less than 1 percent impairment, and one was impaired by just under 10 percent.

-- The amount of new capital these SSBICs raised above the amounts necessary to pay for the repurchase has been very limited. However, many only recently completed the repurchase.

-- SBA's policy of amortizing the dividends for healthy SSBICs is costly to the government and inequitable, since some of the SSBICs had paid dividends on the preferred stock. At least one SSBIC had paid all its dividends, and three had paid some of their accrued dividends prior to the repurchase. We could not determine whether, or in what amount, other SSBICs have paid dividends because SBA was unable to provide us with data on dividends in time for this hearing.

-- SBA has engaged in activities that appear contrary to the program's primary purpose of strengthening SSBICs' financial condition to infuse additional capital for investment in small businesses. One SSBIC borrowed all funds for the repurchase from SBA. Another borrowed some of the necessary funds. Two firms borrowed all or part of the financing from a third party. Subsequent to completing the 3-percent stock repurchase, SBA purchased 4-percent dividend-bearing preferred stock from six SSBICs and provided new financing to two others.

<u>THE ORGANIZATIONAL PLACEMENT OF EXAMINATIONS MAY IMPEDE INDEPENDENCE</u>

SBA's Examinations Office was created in 1992, when the Congress transferred responsibility for periodic examinations of SBICs and SSBICs from the OIG to the Investment Division. As reported earlier this year, we found no indication of efforts to restrict or influence examinations. Nonetheless, the current

organizational placement of the Office of Examinations within the Investment Division, with all examiners responsible to the Associate Administrator for Investment, may create questions about the office's independence.

The Associate Administrator for Investment is also responsible for all other aspects of the SBIC and SSBIC programs, including licensing and monitoring. As head of the division that administers the SBIC and SSBIC programs, the Associate Administrator is the advocate for the program--internally to SBA and externally to the small business and investment communities. Because the ultimate responsibility for ensuring that examination findings are adequately resolved rests with the Associate Administrator for Investment, this arrangement may not be the most appropriate to ensure that examinations are conducted in an independent environment.

CONCLUSIONS

Although recent SBA actions and legislative changes are steps in the right direction, oversight and management weaknesses continue to plague the SBIC and SSBIC programs. Corrective actions on examination findings are not pursued rigorously, financially troubled firms are not transferred to liquidation quickly, and overstated asset valuations are not detected in a timely manner. We believe these weaknesses result in losses to the government that could have been avoided. Also, given today's tight budget climate, we question whether the stock repurchase program is the best use of federal funds to help small businesses. Finally, although we have seen no indications of efforts to restrict or influence examinations, we believe that the organizational placement of the Office of Examinations in the same Division that is responsible for promoting the program leaves it vulnerable to questions about its independence--especially in light of the problems we have described today.

RECOMMENDATIONS TO THE SMALL BUSINESS ADMINISTRATION

To ensure rigorous pursuit of corrective actions, improve oversight of SBICs and SSBICs, and minimize the loss of SBA's investment, we recommend that the Administrator, SBA, direct the Associate Administrator for Investment to do the following:

-- Develop an overall strategy to better target oversight resources for SBICs and SSBICs that commit repeated or egregious violations and for those investments that pose the greatest risk of loss to the government. This strategy should include a risk-based assessment of SBA's investments and, at a minimum, specify (1) time frames for SBICs and SSBICs to correct financial and regulatory violations, (2) actions that will be taken if violations are not corrected,

and (3) procedures for promptly placing severely impaired firms under liquidation.

-- Give the Office of Examinations responsibility for tracking actions taken to correct problems identified during examinations of SBICs and SSBICs.

Because asset valuation data will be a critical component for a risk-based assessment of SBA's potential exposure from its investments in SBICs and SSBICs, we recommend that the Administrator, SBA, direct the Associate Administrator for Investment to expedite the design and implementation of a system that will help SBA routinely analyze the asset valuations in the recently developed licensee investment database to detect problems of potential asset overvaluation, such as

-- inconsistencies in the valuation of small businesses that have loans from more than one SBIC or SSBIC,

-- patterns in valuation by type and amount of small business investments,

-- deviations in valuation by type and amount of small business investments, and

-- names of owners or addresses of businesses that use the same collateral to obtain financings.

In addition, we recommend that the Administrator, SBA, postpone further repurchases under the Three Percent Preferred Stock Repurchase Program until (1) a review of the program, including an evaluation of costs and benefits, is completed to determine whether this is the best use of federal funds to help small businesses and (2) the findings are reported to the House and Senate Small Business Committees.

MATTER FOR CONGRESSIONAL CONSIDERATION

To ensure the independence of examinations and avoid potential conflicts-of-interest in resolving disputed examination findings, the Congress may want to consider directing the Administrator, SBA, to move the Office of Examinations out of the Investment Division and have it report to the Associate Deputy Administrator for Economic Development.

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Madam Chair, this completes our prepared statement. We would be pleased to respond to any questions that you or Members of the Committee may have.

RELATED GAO PRODUCTS

Small Business: SBA's Preferred Stock Repurchase Program (GAO/RCED-95-249FS, Aug. 18, 1995).

Small Business Administration: Inadequate Oversight of Capital Management Services, Inc.--an SSBIC (GAO/T-OSI-95-19, Aug. 7, 1995).

Small Business: Information on SBA's Small Business Investment Company Programs (GAO/RCED-95-146FS, May 12, 1995).

Small Business Administration: Status of Small Business Investment Companies (GAO/T-RCED-95-145, Mar. 28, 1995).

Small Business Administration: Inadequate Documentation of Eligibility of Businesses Receiving SSBIC Financing (GAO/RCED-94-182, Apr. 26, 1994).

Small Business Administration: Inadequate Oversight of Capital Management Services, Inc.--an SSBIC (GAO/OSI-94-23, Mar. 21, 1994).

Small Business: Financial Health of Small Business Investment Companies (GAO/RCED-93-51, May 5, 1993).

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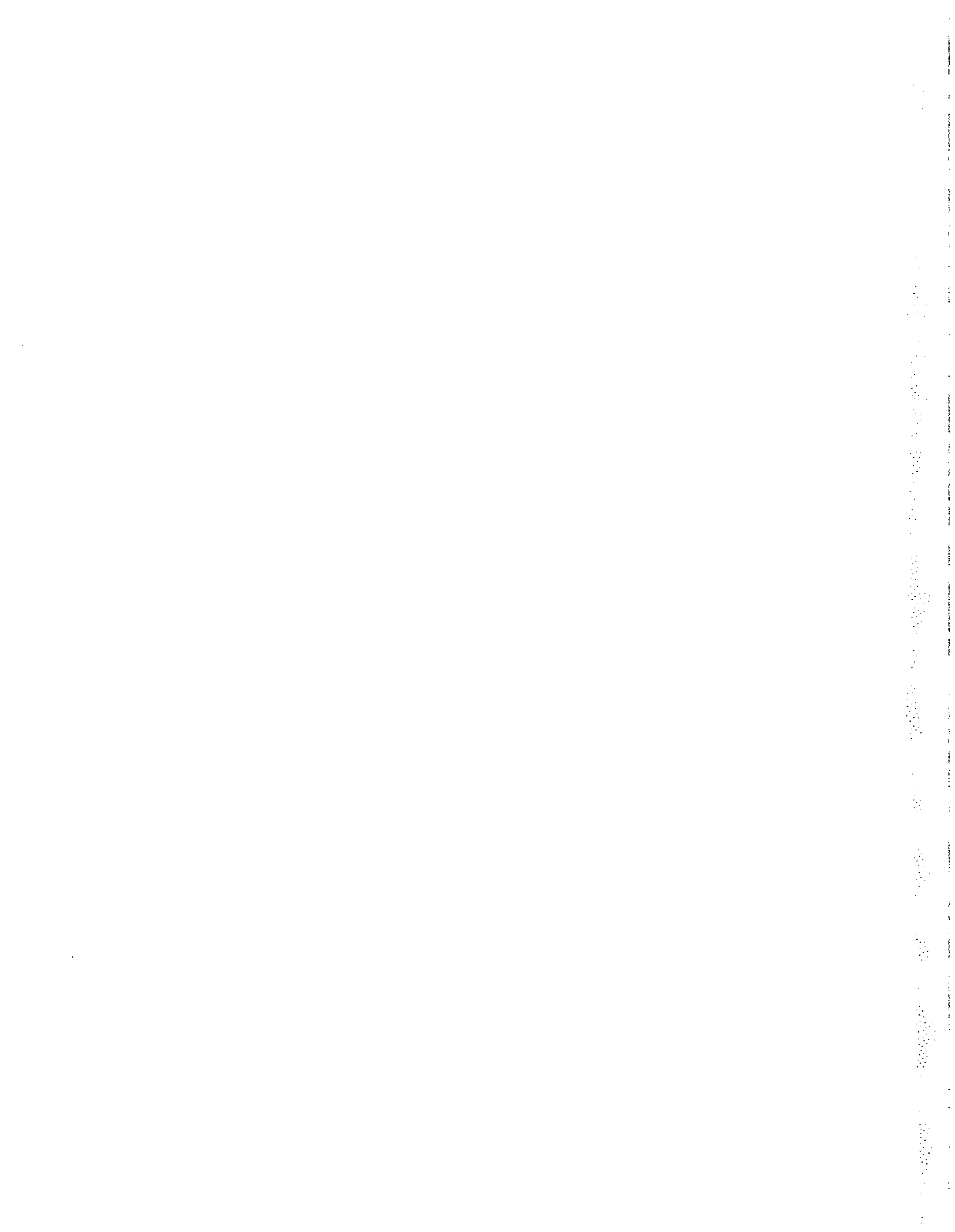

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