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**United States Senate**  
**COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION**  
WASHINGTON, DC 20510-6125  
WEBSITE: <https://commerce.senate.gov>

June 3, 2025

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Comptroller General Dodaro:

We write to request that the Government Accountability Office (GAO) conduct a review of the actions taken by the Trump Administration to dismantle the Minority Business Development Agency (MBDA), despite Congress statutorily authorizing the agency and appropriating funding to further its mission. A robust investigation by GAO would help shed light on whether officials at the Department of Commerce (Department) or elsewhere in the Administration circumvented the directives of Congress, the extent to which the MBDA's ability to administer its grants and combat potential fraud has been undermined, and whether any officials have engaged in misconduct.

On May 2, 2025, the White House released its recommendations on discretionary funding levels for fiscal year (FY) 2026,<sup>1</sup> which expressly acknowledge that the Commerce Department under Secretary Howard Lutnick has "fully eliminated" the MBDA. Prior to this admission, my colleagues and I repeatedly raised concerns about the Department's efforts to dismantle the MBDA unilaterally, particularly given Secretary Lutnick's clear testimony during his confirmation hearing stating he did not support dismantling the agency.<sup>2</sup> We sent multiple letters to Secretary Lutnick and the Department seeking basic information about the current state of the MBDA.<sup>3</sup> To date, the Department has failed to substantively respond to any of our requests, and

<sup>1</sup> The White House, Office of Management and Budget, "President's FY 2026 Discretionary Budget Request," May 2, 2025, <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf>.

<sup>2</sup> Hearing, "Nomination Hearing for U.S. Secretary of Commerce," Jan. 29, 2025, [https://www.commerce.senate.gov/2025/1/full-committee-nomination-hearing\\_2\\_3](https://www.commerce.senate.gov/2025/1/full-committee-nomination-hearing_2_3).

<sup>3</sup> Letter from Senators Cantwell, Baldwin, Blunt Rochester, Schatz, Markey, Luján, Kim, and Heinrich to Acting Deputy Secretary of Commerce for MBDA Sonderling, Apr. 30, 2025, <https://www.commerce.senate.gov/2025/5/senators-demand-to-know-who-killed-minority-business-development-agency-why-where-s-the-money-going>; *see also* Letter from Senators Cantwell, Baldwin, and Blunt Rochester to Commerce Secretary Lutnick, Apr. 17, 2025, <https://www.commerce.senate.gov/2025/4/cantwell-baldwin-blunt-rochester-demand-answers-on-lutnick-s-failure-to-protect-minority-business-development-agency>; *see also* Letter

it is becoming increasingly clear that Department leadership is not taking these concerns seriously.<sup>4</sup>

The MBDA was created by Executive Order in 1969.<sup>5</sup> In 2021, Congress statutorily authorized the MBDA in bipartisan legislation, the Minority Business Development Act of 2021 (MBDA Act),<sup>6</sup> which was enacted as part of the Infrastructure Investment and Jobs Act.<sup>7</sup> In so doing, Congress directed the MBDA to, among other things, “enable the Federal Government to better serve the needs of minority business enterprises.”<sup>8</sup> The bipartisan law also established a new Senate-confirmed position to lead the agency.<sup>9</sup> By making the MBDA and its programs permanent, Congress made a deliberate decision to promote job creation, spur innovation, and support business owners from a variety of backgrounds.<sup>10</sup>

Last Congress, the Congress funded the MBDA pursuant to the Consolidated Appropriations Act, 2024, which contained a \$68.25 million appropriation for the “necessary expenses of the Minority Business Development Agency in fostering, promoting, and developing minority business enterprises, as authorized by law.”<sup>11</sup> These investments have paid significant dividends: In FY 2024 alone, the MBDA helped the country’s more than 12 million minority businesses access over \$1.5 billion in capital and create or retain approximately 23,000 jobs.<sup>12</sup> That same level of funding has been appropriated through the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4).

Despite Congress’s clear statutory directive, on March 14, 2025, President Trump issued an Executive Order effectively eliminating the MBDA and certain other federal entities.<sup>13</sup> In so

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from Senators Cantwell and Blunt Rochester to Commerce Secretary Lutnick, Mar. 24, 2025, <https://www.commerce.senate.gov/2025/3/cantwell-blunt-rochester-demand-commerce-secretary-lutnick-protect-minority-business-development-agency-from-trump-s-overreach>.

<sup>4</sup> Hearing, “Nominations Hearing for FRA, Amtrak, and Commerce Nominees,” May 13, 2025, <https://www.commerce.senate.gov/2025/5/nominations-hearing-for-fra-amtrak-and-commerce-nominees>; (current senior advisor at the Commerce Department in response to question from Senator Lisa Blunt Rochester: “I’m not aware of those letters and I don’t know what Secretary Lutnick knows about those letters”).

<sup>5</sup> Executive Order 11625, “Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises,” 3 C.F.R. §1971-1975.

<sup>6</sup> Minority Business Development Act of 2021, S. 2068, 117th Cong., <https://www.congress.gov/bill/117th-congress/senate-bill/2068?s=2&r=1>.

<sup>7</sup> Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 117th Cong., Nov. 15, 2021, <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>.

<sup>8</sup> *Id.* at Sec. 100003(c)(2)(B).

<sup>9</sup> *Id.* at Sec. 100003(b).

<sup>10</sup> Press Release, “Cantwell Secures Inclusion of Bill to Boost Minority Business Development in Infrastructure Package,” Aug. 6, 2021, <https://www.cantwell.senate.gov/news/press-releases/cantwell-secures-inclusion-of-bill-to-boost-minority-business-development-in-infrastructure-package>.

<sup>11</sup> Consolidated Appropriations Act, 2024, Pub. L. No. 118-42, 118th Cong., Mar. 9, 2024, <https://www.congress.gov/bill/118th-congress/house-bill/4366/text>.

<sup>12</sup> MBDA, Annual Performance Summary, Fiscal Year 2024, <https://www.mbda.gov/sites/default/files/2025-03/fy-2024-annual-performance-report.pdf>.

<sup>13</sup> Executive Order, “Continuing the Reduction of the Federal Bureaucracy,” Mar. 14, 2025, <https://www.whitehouse.gov/presidential-actions/2025/03/continuing-the-reduction-of-the-federal-bureaucracy/>.

doing, the Executive Order called for the head of the MBDA to submit a report to the Office of Management and Budget within seven days “confirming full compliance with this order and explaining which components or functions of the governmental entity, if any, are statutorily required and to what extent.” In the weeks that followed, the Trump Administration has unilaterally dismantled the MBDA—terminating effectively all its staff, canceling its grant programs, and removing its signage from the Department.<sup>14</sup>

As part of these efforts, our offices reviewed a funding termination notice that was sent to an MBDA grantee by a member of Elon Musk’s so-called Department of Government Efficiency (DOGE) named Nate Cavanaugh, who was purportedly acting “Under the Authority of Keith Sonderling, Acting Undersecretary of MBDA.” In the notice, the Department claims the grant is being terminated because it “is unfortunately no longer consistent with the agency’s priorities and no longer serves the interests of the United States and the MBDA Program.” The termination notice further states that “MBDA is repurposing its funding allocations in a new direction in furtherance of the President’s agenda.” The notice is silent about why the grants are inconsistent with the MBDA’s priorities and programs, which Congress, not the Department, set by statute. And the notice also suggests that the Department of Commerce or others in the Administration may be using funding appropriated for the MBDA for other, unrelated purposes.<sup>15</sup>

Fortunately, on May 13, 2025, a federal district court issued a Preliminary Injunction requiring the Trump Administration to reverse its actions to eliminate the MBDA, including by restoring agency employees to their status prior to the Executive Order issued on March 14, 2025. However, the Trump Administration quickly appealed this order, making clear it intends to continue pursuing its efforts to fully eliminate the MBDA notwithstanding Congress’s clear directives.<sup>16</sup>

It is essential that Congress and the public understand how the Trump Administration’s recent actions have affected the MBDA’s ability to carry out its statutory mission and obligations and to understand how funds appropriated to the MBDA are being used. Therefore, we are requesting your assistance to investigate activities that have occurred at MBDA since January 20, 2025, and report on the following:

1. A detailed review of all actions taken by the Department of Commerce, including any acting leadership, to “fully eliminate” or otherwise dismantle the MBDA, including any efforts to pause or halt MBDA work functions, lower or eliminate the agency’s budget, or otherwise reduce the resources available to MBDA to complete its work.

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<sup>14</sup> See *supra* n. 3; see also Opening Remarks of Ranking Member Maria Cantwell, Senate Commerce, Science and Transportation Committee Hearing to consider Paul Dabbar to be Deputy Secretary of Commerce, May 1, 2025, <https://www.cantwell.senate.gov/download/05012025-senate-commerce-committee-hearing-full-transcript>.

<sup>15</sup> See *supra* n. 3; see also “Trump Tests Tim Scott’s Minority Business Legacy,” *Politico*, Apr. 22, 2025, <https://www.politico.com/news/2025/04/22/scott-stays-silent-as-his-minority-business-legacy-crumbles-under-trump-00300868>.

<sup>16</sup> *Rhode Island v. Trump*, 25-cv-00128 (D.R.I., May 16, 2025), [https://www.publishersweekly.com/binary-data/ARTICLE\\_ATTACHMENT/file/000/006/6677-1.pdf](https://www.publishersweekly.com/binary-data/ARTICLE_ATTACHMENT/file/000/006/6677-1.pdf).

2. A detailed review of all actions taken by the any member of DOGE, including any volunteers, special government employees, contractors, or Department employees affiliated with DOGE, to “fully eliminate” or otherwise dismantle the MBDA, including any efforts to pause or halt MBDA work functions, lower or eliminate the agency’s budget, or otherwise reduce the resources available to MBDA to complete its work.
3. A detailed review of actions taken by the Department of Commerce, including MBDA leadership and acting leadership, to pause, halt, or terminate any grants or funding that were administered or approved by the MBDA as of January 20, 2025. Please include information on the involvement of DOGE or DOGE-affiliated employees, including any volunteers, special government employees, and contractors, in decisions to pause, halt, or terminate MBDA grants or funding.
4. A detailed review of the status of all MBDA grants, including:
  - a. The extent to which grants have been terminated or funds continue to be disbursed;
  - b. A description of the types of funded activities that are considered “consistent with the agency’s priorities” and that “serve the interests of the MBDA program”; and
  - c. A detailed explanation of how the MBDA intends to repurpose its funding allocations in a new direction in furtherance of the President’s agenda, including any specific program or activity that has received or is expected to receive repurposed funding.
5. A detailed review of actions taken by the Department of Commerce, including MBDA leadership and acting leadership, to reduce the MBDA’s workforce after January 20, 2025. Please include information on the involvement of DOGE or DOGE-affiliated employees, including any volunteers, special government employees, and contractors, in decisions to reduce the MBDA’s workforce.
6. A detailed review of the effects of recent Department of Commerce and DOGE actions on:
  - a. The operations of the MBDA’s statutorily created offices, how responsibilities are being allocated to any remaining staff, and the status of physical office space; and
  - b. The ability of the agency to fulfill its statutorily required functions under the Minority Business Development Act of 2021 (Division K of the Infrastructure and Investment and Jobs Act, Pub. L. 117-58), including but not limited to:
    - i. The MBDA’s statutory responsibilities for private and public sector development;
    - ii. The MBDA’s efforts to conduct research and provide outreach and educational services;
    - iii. The operation of the MBDA’s Business Center Program, Rural Minority Business Center Program, and the national network of public-private partnerships;
    - iv. The administration of the minority business development grants program;

- v. The functioning of the Minority Business Enterprises Advisory Council; and
  - vi. The extent to which the Administration's actions regarding MBDA are consistent with the statutory obligations under the Minority Business Development Act of 2021.
- c. The ability of the agency to effectively administer its current grants, detect and prevent potential fraud in its programs, and cooperate with any investigations into potential fraud or other wrongdoing.
7. A detailed review of the Commerce Department's or MBDA's development and implementation of plans to reorganize, restructure, or eliminate the MBDA's work, and how these plans may affect the Administration's ability to meet its statutory responsibilities, including a review of which "components or functions" of the MBDA the Trump Administration found to be "statutorily required and to what extent," pursuant to President Trump's March 14, 2025, Executive Order on "Continuing the Reduction of the Federal Bureaucracy."

Sincerely,



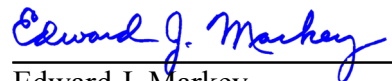
Maria Cantwell  
Ranking Member



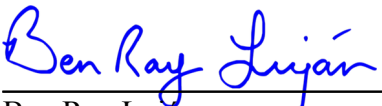
Tammy Baldwin  
United States Senator



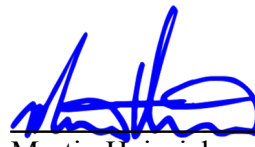
Lisa Blunt Rochester  
United States Senator



Edward J. Markey  
United States Senator



Ben Ray Lujan  
United States Senator



Martin Heinrich  
United States Senator