

Highlights of [GAO-07-151](#), a report to congressional committees

Why GAO Did This Study

Congress authorized the Mentor-Protégé Program to boost the participation of small disadvantaged businesses as subcontractors and suppliers under Department of Defense (DOD) and other contracts. The program provides incentives to major defense contractors (mentors) to help small disadvantaged businesses (protégés) strengthen their ability to compete for contracts. GAO administered a Web-based survey to determine whether former protégés believe the program enhanced their business development; examined the accuracy of the Mentor-Protégé Program Office's annual reporting to Congress; determined whether DOD reported on the progress of former protégés and their contributions to small business goals; and, identified how program funds have been obligated and used.

What GAO Recommends

GAO recommends that the Secretary of Defense take a number of actions to better evaluate the performance of DOD's Mentor-Protégé Program and to improve annual reporting on the program to the Congress.

DOD concurred with GAO's findings and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-151.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Anne Calvaresi-Barr at (202) 512-4841 calvaresibarra@gao.gov.

CONTRACT MANAGEMENT

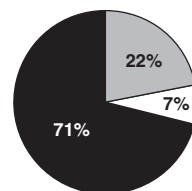
Protégés Value DOD's Mentor-Protégé Program, but Annual Reporting to Congress Needs Improvement

What GAO Found

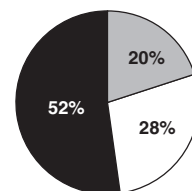
Most of the 48 former protégés that responded to GAO's questionnaire reported that the Mentor-Protégé Program was a valuable experience and enhanced business development. Ninety-three percent of responding protégés reported the Mentor-Protégé Program enhanced, at least to some degree, their firms' overall capabilities. While protégés also attributed increases in contracts and revenues as a result of their participation in the program, about one-quarter reported that the program had no impact on gaining new contracts or on increasing revenues.

Protégé Attribution of Outcomes to Program Participation

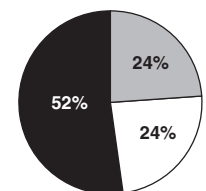
Enhancement of overall capabilities



Increase in contracts



Overall increase in revenues



■ Moderate, great, or very great enhancement attributed to program

■ Some or little enhancement attributed to program

□ No enhancement attributed to program

Source: GAO analysis of protégé questionnaire responses.

Although DOD's annual reports to the Congress indicate the program has increased business opportunities, the accuracy of these reports is questionable, primarily because the data are not validated before the reports are submitted to Congress. Specifically, each March DOD submits its annual report to Congress, based on mentor-prepared reports on protégé progress, but the Defense Contract Management Agency does not complete its validation of the mentor-prepared reports until the following September. In addition, many of the validations are incomplete or not done at all.

GAO could not measure the contribution of the Mentor-Protégé Program to the statutory objective of awarding 5 percent of DOD's contracting dollars to small disadvantaged businesses. To do this, the progress of those protégés completing the program since the program's inception would need to be identified. This data is not available.

Over the past 3 years, the majority of the Mentor-Protégé Program's funds, which totaled about \$70 million, were obligated to mentors. The mentors were reimbursed for the developmental assistance they provided to protégés either directly or indirectly. Defense Contract Management Agency reviews determined that the reimbursements received by mentors during fiscal years 2003 and 2004 were reasonable.