

United States Senate

February 20, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler,

Over the past week, the Small Business Administration (SBA) has taken unprecedented personnel actions that have gutted its civil service workforce around the country. This includes the firing of hundreds of SBA employees serving their probationary work period. Yet, SBA has provided us with no direct information about these terminations, including why they were undertaken, the number and identities of fired employees, or which SBA offices were impacted. This lack of transparency — quickly becoming a hallmark of the new Trump administration — is unacceptable. The public has the right to know and understand the reasons for and the scope of these terminations which affect the SBA's ability to carry out its mission on behalf of the more than 30 million small businesses nationwide.

According to reports, on February 7, 2025, termination notices were sent to hundreds of probationary SBA employees across the United States;¹ nearly 90 % of SBA employees are located in duty stations outside its Washington, DC headquarters.² Three days later, on February 10th, the SBA rescinded those notices, claiming they had been sent in error.³ Then, the very next day, those workers were “re-fired” when they again received a termination notice that in fact ended their employment.⁴

Through our own investigation and public reporting, we have learned that the fired employees include those supporting disaster assistance and oversight of loan programs. Some were service-disabled veterans. Summary firing, communicated — and miscommunicated — by email, is not how our country should treat public servants, especially our heroes.

¹ Eleanor Pringle, *Trump's small business department fired staff and said it was an accident – then emailed the next day re-firing them*, FORTUNE (Feb. 12, 2025), <https://fortune.com/2025/02/12/sba-firing-mistake-terminated-confusion-probation-staff/>.

² See U.S. Office of Personnel Management: FedScope, Federal Workforce Data, <https://www.fedscope.opm.gov/> (last visited Feb. 12, 2025), <https://www.fedscope.opm.gov/>.

³ Eli Stokols, *DOGE order triggers firings at SBA of employees prematurely fired Friday*, POLITICO (Feb. 11, 2025), <https://www.politico.com/news/2025/02/11/sba-employees-fired-by-doge-twice-00203750>.

⁴ Eleanor Pringle, *Trump's small business department fired staff and said it was an accident – then emailed the next day re-firing them*, FORTUNE (Feb. 12, 2025), <https://fortune.com/2025/02/12/sba-firing-mistake-terminated-confusion-probation-staff/>.

The Honorable Kelly
Loeffler.
February 20, 2025
Page 2

Even more concerning, SBA supervisors were not notified of these personnel actions.⁵ And the termination notices sent the same stock language to each probationary employee: “During this probationary or trial period, it has been determined that your continued employment does not promote the efficiency of the service because you have failed to demonstrate fitness for continued federal employment.”⁶ But federal regulations require, at a minimum, that “when an agency decides to terminate an employee serving a probationary or trial period because his work performance or conduct during this period fails to demonstrate his fitness or his qualifications for continued employment,” the agency must convey to the terminated employee in writing its “conclusions as to the inadequacies of [their] performance or conduct.” No effort was made here to comply with that regulatory requirement.⁷ Now these employees— middle class civil servants who were terminated without proper cause — will be forced to use their own financial resources to fight these cases before the Merit Systems Protection Board.

This mass firing was arbitrary and certainly not in the SBA’s best interests. One has to wonder, is the SBA really in charge or is Elon Musk’s Department of Government Efficiency (DOGE) or the Office of Management and Budget (OMB)⁸ leading these efforts? The firings further beg the question why an Acting SBA Administrator was making major personnel changes at the agency and not waiting for guidance from you, a Senate-confirmed Administrator.

The SBA’s efforts to implement President Trump’s “deferred resignations” program have only served to compound the chaos at the agency. On February 11, 2025, the SBA sent an early retirement contract to employees who offered to resign under the program. The contract included a provision that requires employees to waive their rights to bring legal action against the SBA related to the employee’s employment. This language seems to confirm the fears that many federal employment experts have expressed about these deferred resignations: they are part of a broader scheme to trick federal employees into resigning and then stiff them when it comes to following through on pay and benefits.⁹ To protect SBA employees’ rights, we need more insight into how the SBA intends to carry out these deferred resignations.

Also, on February 11, 2025, the President signed an executive order directing agency heads to begin preparations for a large-scale reduction in force (RIF).¹⁰ The order further requires that, within 30 days, federal agencies submit reorganization plans to OMB recommending

⁵ Eli Stokols, *DOGE order triggers firings at SBA of employees prematurely fired Friday*, POLITICO (Feb. 11, 2025), <https://www.politico.com/news/2025/02/11/sba-employees-fired-by-doge-twice-00203750>.

⁶ Eleanor Pringle, *Trump’s small business department fired staff and said it was an accident – then emailed the next day re-firing them*, FORTUNE (Feb. 12, 2025), <https://fortune.com/2025/02/12/sba-firing-mistake-terminated-confusion-probation-staff/>.

⁷ See 5 C.F.R. § 315.804 (2024).

⁸ See OFFICE OF MANAGEMENT AND BUDGET, EXECUTIVE OFFICE OF THE PRESIDENT, GUIDANCE ON PROBATIONARY PERIODS, ADMINISTRATIVE LEAVE AND DETAILS (2025), <https://www.opm.gov/media/yh3bv2fs/guidance-on-probationary-periods-administrative-leave-and-details-1-20-2025-final.pdf>.

⁹ Erich Wagner & Eric Katz, *Employee groups, Democrats, experts warn feds not to accept ‘deferred resignation’ offer*, GOVERNMENT EXECUTIVE (Jan. 29, 2025), <https://www.govexec.com/workforce/2025/01/employee-groups-democrats-experts-warn-feds-not-accept-deferred-resignation-offer/402599/>.

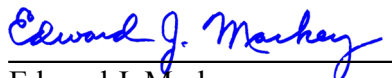
The Honorable Kelly
Loeffler.
February 20, 2025
Page 3

whether the agency or its subcomponents should be eliminated. The SBA was underfunded and understaffed before President Trump took this executive action, and his continued efforts to terminate SBA employees will only lead to further disruption of critical aid and resources flowing to America's small businesses. President Trump prides himself on his purported success as a businessman. One would think he would try to avoid treating in such a haphazard, unprofessional, and uncompassionate manner an agency whose mission is to help small businesses and entrepreneurs receive the assistance they need to pursue the American dream.

In order to ensure small businesses continue to receive the SBA services they need to thrive, we request the following: First, put an immediate stop to the arbitrary firings of career civil servants and reinstate them immediately, with backpay. Second, have your Deputy Inspector General conduct a thorough review of the SBA's actions to ensure that any termination was lawful. And third, promptly brief the Committee's minority staff on SBA's recent personnel actions and its plan to implement the President's deferred resignations and RIF executive order.

If you have any questions about these requests, please contact the U.S. Senate Committee on Small Business and Entrepreneurship minority staff at 202-224-0507.


Sincerely,



Edward J. Markey
Ranking Member
Senate Committee on Small
Business
and Entrepreneurship



Maria Cantwell
United States Senator



Jeanne Shaheen
United States Senator



Cory A. Booker
United States Senator

¹⁰ Executive Order No. 14,210, Implementing the President's "Department of Government Efficiency" Workforce Optimization (Feb. 11, 2025), [2025-02762.pdf](#).

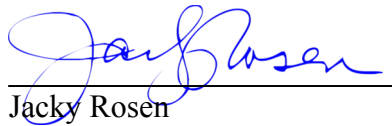
The Honorable Kelly
Loeffler.
February 20, 2025
Page 4



Christopher A. Coons
United States Senator



Mazie K. Hirono
United States Senator



Jacky Rosen
United States Senator



John Hickenlooper
United States Senator



Adam B. Schiff
United States Senator

cc: Sheldon Shoemaker, Deputy Inspector General, U.S. Small Business Administration