## NY TEREST CONFLICT IN S.B.A. SUSPECTED

WASHINGTON, Nov. 11 (UPI)—A House subcommittee said today that it had discovered "serious problems" in some offices of the Small Business Administration that might lead to criminal prosecution. A source said the problems involved a conflict of interest suspected in a few S.B.A. district offices.

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Until these alleged problems can be cleared up, the House Small Business Subcommittee said in a statement, it will ask the full House Banking and Currency Committee to delay legislation to increase the lending authority of the S.B.A. This could result in a curtailment of new S.B.A. loans by late November.

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The subcommittee did not say what problems were involved nor which offices were suspected, but a source on the committee alleged that the major problem was in the district office in Richmond.

The source alleged that S.B.A. officials had apparently parceled out millions of dollars in loans to companies in which they hold an interest.

"We are very anxious to testify before the committee and clear up this issue," said Randall L. Woods, the S.B.A.'s assistant administrator for Congressional and public affairs. He said the agency had already assistant administrator for Congressional and public affairs. He said the agency had already applied "strong and explicit" procedures for dealing with the matter, including referral to the Justice Department.