

Greater Transparency for Post-DOD Employment with Contractors

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What We Do



At the request of Congress, examine

- major government acquisitions, trends, common problems
- use of tools, methods, capabilities, workforce supporting acquisitions
- best practices and other solutions



What We Studied on Post-DOD Employment with Contractors

- Our objectives in response to congressional mandate:
 - Provide information on how many former DOD employees worked for contractors in 2006 and estimate how many worked on contracts related to their former DOD positions
 - Identify practices to comply with restrictions and information challenges in monitoring post-DOD employment with contractors
- How we did the work:
 - Matched data from DOD with data from IRS and from 52 major defense contractors
 - Conducted surveys of the 52 contractors

What We Found: How Many Employed

Category of former DOD personnel	Number of personnel who left DOD service from 2001 through 2006	Number employed by contractors
Military and civilian senior or acquisition officials subject to post-government employment restrictions	35,192	2,435
All other military and civilian employees	1,821,812	83,746
Total	1,857,004	86,181

What We Found: Post-DOD Employment Highly Concentrated

(Dollars in millions)

Contractor	Value of DOD contract awards in fiscal year 2005	Number of former DOD senior and acquisition officials employed	Percent of total post-government employment
Total, all 52 contractors	\$142,833	2,435	100%
SAIC	\$2,796	263	10.8%
Northrop Grumman Corp.	13,512	260	10.7%
Booz Allen Hamilton, Inc.	1,163	243	10.0%
L3 Communications Holding, Inc.	4,714	241	9.9%
Lockheed Martin Corporation	19,447	221	9.1%
General Dynamics	10,641	207	8.5%
Raytheon Company	9,109	146	6.0%
Total	\$61,382	1,581	64.9%

Many Former DOD Officials Estimated to Work on Contracts Related to Prior Positions

- The numbers:
 - 422 could have been working worked on defense contracts at their former agency, office, command
 - 9 could have been performing services on the same contracts for which they had prior oversight or authority
- Caveats:
 - Estimate based on job histories for a stratified random sample of former DOD officials
 - Information we obtained not designed to identify individual violations of revolving door restrictions
 - May be proper justification for lawful post-DOD contract work
- Results provide insight into the magnitude of post-DOD work for contractors tied to prior agencies & responsibilities and indicate importance of careful monitoring

What We Found: Contractor Information Gaps in Monitoring Post-Government Employment

Type of contractor information made available to GAO	Number of contractor employees who are former DOD officials
Contractor-provided information	1,263
IRS information	2,435
GAO's contractor questionnaire on ethics advice and job histories of former DOD officials	
Type of contractor information made available to GAO	Number of contractors
Contractors responding to GAO questionnaire on job histories	30
How many companies provided at least one written ethics advice letter	15

DOD Challenge: Lacks Transparency Once Former Officials Are Working on Contracts

- Past requirements, since repealed, to collect information on post-DOD contractor employment, were not successful
- Information from providing ethics advice has limited utility for monitoring post-government restrictions, even with 2008 law to require ethics opinions and central DOD record-keeping
- On the front line of acquisitions, DOD lacks transparency over which former officials employed by contractors are tied to specific defense contracts pending or awarded before their agencies
- To achieve greater transparency, DOD should consider asking contractors to disclose the names of certain former officials and certify they are in compliance with post-DOD restrictions

Related Work

- **Defense Contracting: Additional Personal Conflicts of Interest Safeguards Needed for Certain DOD Contractor Employees**, GAO-08-169, March 2008
- **Defense Contracting : Post Government Employment of Former DOD Officials Needs Greater Transparency**, GAO-08-485, May 2008
- ****NEW** Review of Defense Contractor Ethics Programs**
 - In response to congressional mandate (Sec. 848, 2008 NDAA)
 - Have notified about 60 contractors that met legislative criteria for inclusion in this review (received at least \$500 million in contract awards in 2006 from DOD)
 - Survey contractors with a contractor ethics questionnaire summer 2008; report due in 2009
