



Highlights of [GAO-08-485](#), a report to congressional committees

DEFENSE CONTRACTING

Post-Government Employment of Former DOD Officials Needs Greater Transparency

Why GAO Did This Study

Department of Defense (DOD) officials who serve in senior and acquisition positions and then leave for jobs with defense contractors are subject to the restrictions of post-government employment laws, in order to protect against conflicts of interest. Congress required GAO to report on employment of such officials by contractors who received more than \$500 million in DOD's 2005 contract awards. In response, this report (1) provides information on how many former DOD employees worked for contractors in 2006 and estimates how many worked on contracts that were related to their former agencies or to their direct responsibilities and (2) identifies the practices used to monitor restrictions and information challenges in monitoring post-DOD employment. To do this work, GAO matched data from DOD for all employees who left DOD over a 6 year period with data from the Internal Revenue Service (IRS) and from 52 contractors; conducted surveys; and interviewed DOD and contractor officials.

What GAO Recommends

To achieve greater transparency, GAO recommends that DOD consider what contractor disclosure and certification information is needed on former DOD officials to ensure compliance with applicable post-government employment restrictions. DOD concurs with GAO's recommendation.

What GAO Found

In 2006, 52 contractors employed 2,435 former DOD senior and acquisition officials who had previously served as generals, admirals, senior executives, program managers, contracting officers, or in other acquisition positions which made them subject to restrictions on their post-DOD employment. As the table shows, most of the 2,435 former DOD officials were employed by seven contractors. On the basis of a stratified random sample of contractor-supplied information, GAO estimates that at least 422 former DOD officials could have worked on defense contracts related to their former agencies and that at least nine could have worked on the same contracts for which they had oversight responsibilities or decision-making authorities while at DOD. The information GAO obtained from contractors was not designed to identify violations of the restrictions. While contractors could have employed quite a few former DOD officials on assignments related to their prior DOD positions, there could be appropriate justification for each of these situations.

Contractors with Most Employment of Former DOD Senior and Acquisition Officials in 2006		
Contractor	Number of former officials employed	Percentage of post-DOD employment
Science Applications International Corporation	263	10.8%
Northrop Grumman Corporation	260	10.7%
Booz Allen Hamilton, Inc.	243	10.0%
L3 Communications Holding, Inc.	241	9.9%
Lockheed Martin Corporation	221	9.1%
General Dynamics	207	8.5%
Raytheon Company	146	6.0%
Subtotal	1,581	64.9%
Total, all 52 contractors	2,435	100%

Sources: GAO analysis. DOD and IRS data.

Most of the contractors who responded to our survey reported using a range of practices to ensure awareness and compliance with post-government employment restrictions, although GAO's request proved challenging for contractors to provide accurate information identifying their former DOD officials. According to the surveyed contractors, they can identify former DOD officials with post-government employment restrictions and track their assignments during their cooling-off periods. However, GAO's analysis found a significant under-reporting of the contractors' employment of former DOD officials. Specifically, contractor-supplied data showed they employed 1,263 former DOD officials in 2006, while IRS data showed the contractors employed 2,435. New post-government employment requirements enacted in January 2008 are likely to make written ethics opinions for former DOD officials more readily available to contractors. DOD also must now keep ethics opinions in a central database. This information was not designed to provide a mechanism for DOD to effectively monitor former DOD officials' post-government employment compliance after they begin working for contractors on specific contracts.

To view the full product, including the scope and methodology, click on [GAO-08-485](#). For more information, contact Cristina Chaplain at (202) 512-4841 or chaplainc@gao.gov.