



FOREIGN GOVERNMENT EMPLOYMENT

Actions Needed to Clarify and Improve Processes for Military Retirees

Report to the Committee on Armed Services, House of
Representatives

July 2025

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GAO Highlights

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FOREIGN GOVERNMENT EMPLOYMENT **Actions Needed to Clarify and Improve Processes for Military Retirees**

Why GAO Did This Study

Foreign government employment of retired uniformed service members is authorized by Congress and subject to the approval of the secretaries of the military departments and the Secretary of State.

House Report 118-125 includes a provision for GAO to review FGE of retired officers of the U.S. Armed Forces. This report examines the extent to which the agencies have (1) identified employment types requiring approval and developed procedures for military retirees to submit FGE applications and (2) developed FGE approval processes and procedures, as well as the trends in FGE applications.

GAO reviewed agency documentation; interviewed officials from the five military services, State, and FGE stakeholders, including 14 employers of FGE applicants and 3 nonprofit veterans' organizations; and reviewed and analyzed over 200 FGE applications from 2019 to 2023.

What GAO Recommends

GAO is making five recommendations, including that DOD and the Coast Guard define the employment types requiring FGE approval and establish shared evaluation factors. Additionally, State should develop factors for evaluating requests. The agencies concurred with GAO's recommendations.

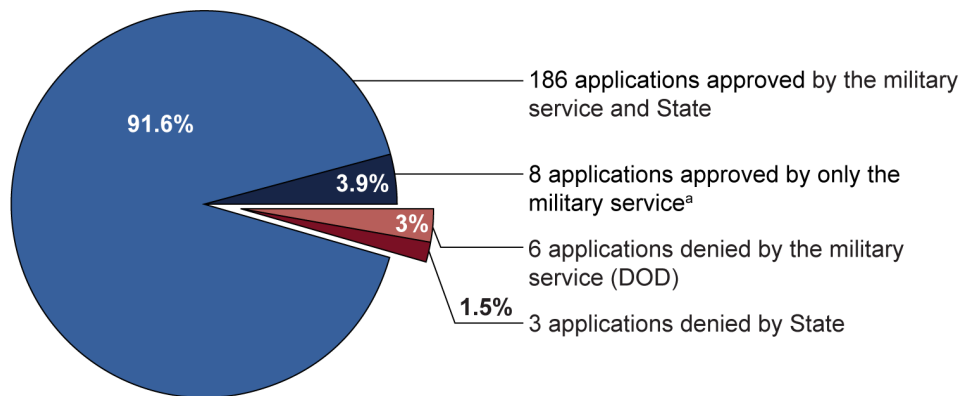
What GAO Found

The military services within the Department of Defense (DOD) and the Coast Guard define foreign government employment (FGE) of U.S. military retirees differently. According to some military retirees GAO interviewed, the differences have led to confusion about what employment requires approval. Each military service has created its own guidance and processes but does not clearly define the types of employment requiring approval. As a result, some employers of FGE applicants and military retirees GAO interviewed are unsure when to apply for FGE approval. DOD officials stated they are developing a policy that will define FGE and related standards and factors for the military services but could not provide an effective date for this policy. In addition, some companies and individuals questioned military retirees' awareness of the law. Although military services inform retiring service members about FGE requirements, many military retirees GAO interviewed do not remember the details.

Federal law requires that both the military services and the Department of State review and approve FGE applications. First, military services review applications from military retirees; then, State reviews approved applications for potential adverse impacts on U.S. foreign relations. However, the law does not specify evaluation factors for State and DOD to consider. As a result, each military service has independently developed factors for evaluating FGE applications, which has created uncertainty and potential inconsistencies in how the military services determine whether to approve or deny applications. Similarly, State's guidance does not specify factors to assess adverse effects on U.S. foreign relations. State officials responsible for reviewing FGE applications told GAO they are unsure of the specific factors they are supposed to consider. From 2019 through 2023, the military services

and State reviewed 203 FGE applications, approving over 95 percent for authorization to work in over 40 countries and territories, according to agency data.

Approval and Disapproval Rates of Foreign Government Employment Applications, 2019–2023



Total applications = 203

Source: GAO analysis of Department of Defense (DOD), U.S. Coast Guard (USCG), and Department of State data. | GAO-25-107145

^aAccording to federal law, FGE applicants requesting approval for payment for speeches, travel, meals, lodging, registration fees, or to accept a non-cash award only require review and approval by the Secretary of the military department. State does not review these applications for payments, but State reviews applications for employment.

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Abbreviations

DFAS	Defense Finance and Accounting Service
DHS	Department of Homeland Security
DOD	Department of Defense
FGE	Foreign government employment
ITAR	International Traffic in Arms Regulations
OLC	U.S. Department of Justice Office of Legal Counsel
OGC	DOD Office of the General Counsel
OSD	Office of the Secretary of Defense
TAP	Transition Assistance Program
USCG	U.S. Coast Guard

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July 23, 2025

The Honorable Mike Rogers
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Foreign government employment (FGE) generally refers to the employment of retirees of the U.S. uniformed services by a foreign government, as authorized by Congress in 37 U.S.C. § 908.¹ Various circumstances may be considered FGE, including civil, contract, and university employment with a foreign government, regardless of whether compensation was received. Military retirees have skills and experience desirable to foreign governments. However, members of Congress have emphasized that approving the use of those skills and expertise must be balanced against potential conflicts of interest and other national interests. They have also expressed concern about the potential national security risks of military retirees working for foreign governments, the high approval rates for FGE, and the effectiveness of penalties for unauthorized FGE.²

House Report 118-125 accompanying the National Defense Authorization Act for Fiscal Year 2024 includes a provision for GAO to review how the Department of Defense (DOD) and Department of State review and approve FGE requests from former officers of the U.S. armed forces. This includes agencies' efforts to identify individuals engaging in FGE without approval, identify individuals receiving compensation from foreign governments for programs for which they had oversight while serving, and for GAO to report on the effectiveness of existing FGE law and regulations.³ This report examines (1) the extent to which the military services have defined employment types requiring approval and how they, and State, have developed procedures for military retirees to submit FGE applications, and (2) the extent to which the military services and State have developed FGE approval processes and procedures, as well as trends in FGE applications. The

¹37 U.S.C. § 908 applies to (1) retired members of the uniformed services, (2) members of a reserve component of the U.S. Armed forces (with exceptions for members on active duty), and (3) members of the Commissioned Reserve Corps of the Public Health Service. The uniformed services include the Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service, and the U.S. armed forces include the Army, Marine Corps, Navy, Air Force, Space Force, and Coast Guard. 37 U.S.C. § 101. This report focuses on the FGE of retirees of the U.S. armed forces from 2019 to 2023.

²Elizabeth Warren, "Warren, Grassley Introduce New Bipartisan Bill Cracking Down on Retired Military Officers Working for Foreign Governments," U.S. Senator Elizabeth Warren, June 20, 2023.

³H.R. Rep. No. 118-125, at 139 (2023). The provision in the House Report asks GAO to review FGE of retired officers of the U.S. armed forces. Although the House Report does not specifically mention the Department of Homeland Security (DHS), we included DHS in our scope because the U.S. Coast Guard, which falls under DHS when not operating as a service in the Department of the Navy, is part of the U.S. armed forces.

scope of this report is FGE applications from military retirees approved or denied in calendar years 2019 to 2023.⁴

To examine the extent to which the military services and State have defined employment types requiring approval, developed procedures for military retirees to submit FGE applications, and developed FGE approval policies and procedures, we analyzed documentation of FGE policies, such as service-level instructions and internal guidance from State. For both objectives, we held 26 semi-structured interviews with officials from nine federal entities (DOD, military services, and State), representatives from 14 employers of FGE applicants, and three veterans' organizations (see fig. 1).

To identify employers of FGE applicants, we analyzed 203 FGE applications approved or denied between 2019 and 2023 and identified the employers listed in these applications. We contacted 65 employers associated with approved FGE applications for long-term employment, offering to meet virtually or in-person. In total, 14 responded affirmatively to our outreach and provided their perspectives. One of these 14 was a foreign government that had employed at least one military retiree that required FGE approval.

We spoke with representatives from the 14 employers. Representatives from 10 of these 14 had applied for FGE approval during this period. Some of our interviews included representatives who were both employers and individual applicants, but we analyzed perspectives at the employer level. Specifically:

- Representatives from eight U.S. companies and one foreign company were also retired service members who required FGE approval to work for U.S. companies with foreign government contracts or for a foreign company. In interviews, they shared their perspectives as military retirees submitting FGE applications.
- Representatives from another U.S. company included both retired service members who had submitted applications and non-retirees who had helped employees apply. In interviews, they shared their perspectives as military retirees submitting FGE applications and experiences helping employees submit FGE applications.
- Representatives from the remaining three companies and one foreign government did not personally submit FGE applications.

Our findings from these interviews are not generalizable but highlight shared perspectives on the effectiveness of FGE processes and suggested improvements. We also asked officials from five military services (Army, Marine Corps, Navy, Air Force, and Coast Guard)⁵, the Defense Finance and Accounting Service, the Office of the Secretary of Defense (OSD), the DOD Office of the General Counsel, and State about their FGE request processes and procedures to review and approve FGE applications.






For the first objective, we analyzed 203 FGE applications approved or denied from 2019 through 2023 and assessed whether FGE applications contained all required information as specified in the FGE guidance provided by each military service. For the second objective, we used State's internal guidance and referenced Part 3a of Title 22 of the U.S. Code of Federal Regulations to confirm State's adherence to approval processes. To describe trends in FGE applications, we reviewed 203 FGE applications from 2019 to 2023, the

⁴The provision in the House Report focused on former officers of the armed forces. However, 37 U.S.C. § 908 applies to all military retirees, not just officers, because they receive a pension and are subject to recall, according to a white paper from the DOD Office of General Counsel. For this report we include retired commissioned, noncommissioned, and warrant officers.

⁵For purposes of this report, we include Space Force data within the Air Force data, as they share an FGE process.

last full year of data available over the course of our audit, and analyzed information in them, including approval rates and applicant characteristics. See Appendix I for more information about our scope and methodology.

Figure 1: Agencies and Stakeholders GAO Interviewed for Perspectives on the Foreign Government Employment (FGE) Process

Agencies and stakeholders (number)	Agency and stakeholder types (number)	
Agencies (9)		Department of Defense (7) Officials from the U.S. Army, U.S. Marine Corps, U.S. Navy, U.S. Air Force, Defense Finance and Accounting Service, Office of the Secretary of Defense, and Office of the General Counsel
		Department of Homeland Security (1) Officials from the U.S. Coast Guard
		Department of State (1) Officials from the Bureau of Political-Military Affairs and other bureaus that process foreign government employment applications
Companies of foreign government employment applicants ^a (14)		Representatives from U.S. companies (10), foreign companies (3), and foreign government (1)
Veterans' organizations (3)		Representatives from nonprofit veterans' organizations (3)

Source: GAO interviews (data); Department of Defense, Department of Homeland Security, Department of State, GAO, brandmix/stock.adobe.com (icons). | GAO-25-107145

Agencies and stakeholders (number)	Agency and stakeholder types (number)
Agencies (9)	Department of Defense (7) Officials from the U.S. Army, U.S. Marine Corps, U.S. Navy, U.S. Air Force, Defense Finance and Accounting Service, Office of the Secretary of Defense, and Office of the General Counsel
	Department of Homeland Security (1) Officials from the U.S. Coast Guard
	Department of State (1) Officials from Bureau of Political-Military Affairs and other bureaus that process foreign government employment applications
Companies of foreign government employment applicants (14)	Representatives from U.S. companies (10), foreign companies (3), and foreign government (1)
Veterans' organizations (3)	Representatives from nonprofit veterans' organizations (3)

^aSome company representatives are themselves military retirees who have previously applied for FGE approval. Specifically, representatives from eight U.S. companies and one foreign company are military retirees who had submitted FGE applications. Interviewees from one U.S. company were military retirees and had not personally submitted FGE applications, but had helped their employees do so. Representatives from one U.S. company are both military retirees who had submitted FGE applications and non-retirees who had helped employees do so. Interviewees from two foreign companies and one foreign government are not military retirees and were not aware of the FGE application process; however, they had employed at least one military retiree that required FGE approval and responded affirmatively to our request for interview.

We conducted this performance audit from October 2023 to July 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

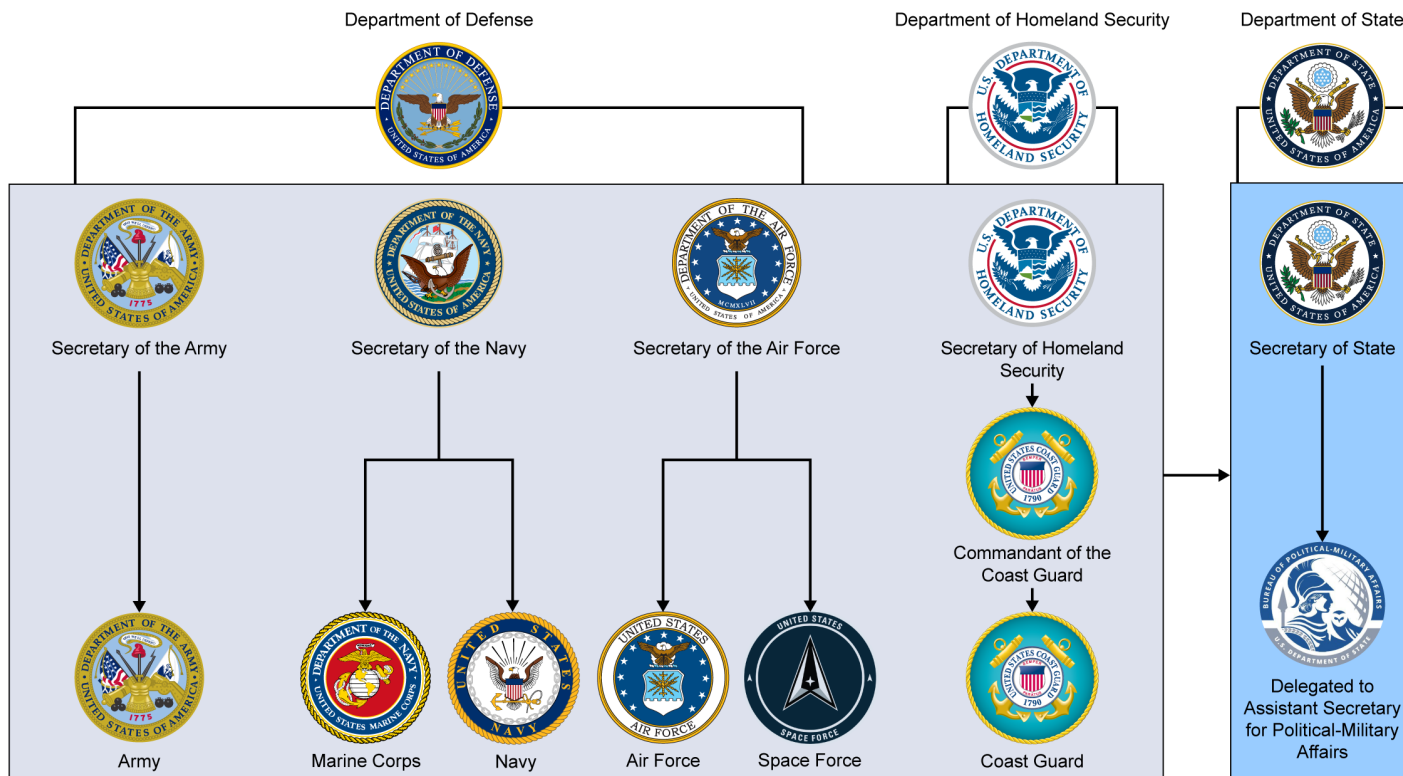
Background

Military retirees must receive approval for FGE because Article 1, Section 9, Clause 8 of the U.S. Constitution (commonly referred to as the foreign emoluments clause) prohibits U.S. federal office holders from accepting any gifts, emoluments, or titles from a foreign state without congressional consent. The foreign emoluments clause was intended to limit opportunities for corruption and foreign influence on federal office holders, according to the Congressional Research Service.⁶ Federal office holders include active and retired members of the U.S. armed forces. The requirement applies to military retirees because they are subject to recall by the military service and therefore continue to hold an office of profit or trust, according to a 2013 white paper from the DOD Office of the General Counsel.

In 1977, Congress consented to retirees of the U.S. armed forces accepting employment and payments from foreign governments by enacting a law later codified in 37 U.S.C. § 908 (hereafter the “FGE statute”), subject to specific requirements. The National Defense Authorization Act for Fiscal Year 2024 added a requirement that the secretaries of the military departments and Secretary of State determine that military retirees’ proposed FGE is not contrary to the national interests of the United States before approving the employment. Figure 2 provides an overview of the various approval processes for FGE.

⁶Michael A. Foster and Kevin J. Hickey, *The Emoluments Clauses of the U.S. Constitution*, Congressional Research Service, January 27, 2021.

Figure 2: Overview of Approval Processes at the Department of Defense (DOD), Department of Homeland Security (DHS), and Department of State and Corresponding Military Services



Source: GAO analysis of Department of Defense (DOD), Department of Homeland Security (DHS), and Department of State information (data); DOD, DHS, State, Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, Bureau of Political-Military Affairs (icons). | GAO-25-107145

Note: Federal law states that FGE determinations may be delegated only to an official of the military department who holds a position at or above the level of an assistant secretary or a civilian official performing the duties of that position. 37 U.S.C. § 908(b)(2).

A 2021 amendment to the FGE statute created a new category of payments that only require the approval of the Secretary of the military department. Following the 2021 amendment, while FGE must still be approved by the Secretary of State, military retirees do not require State approval for accepting payment for speeches, travel, meals, lodging, or registration fees, or accepting a non-cash award; however, the retiree must still obtain approval from the Secretary of their military department. For requests requiring military service and State approval, the applicant may not engage in the proposed FGE until both parties approve.

The penalty for engaging in FGE without proper approval can include the forfeiture of retirement pay. Compensation includes but is not limited to salary, transportation and housing allowances, consulting fees, and gratuities. Any unauthorized compensation received from a foreign government is considered a debt owed to the United States. This debt is collected by withholding retirement pay in an equal amount to the unapproved compensation received from the foreign government.

Within DOD, the Secretaries of Army, Air Force, and Navy are responsible for investigating any instances in which retired members are believed to have accepted FGE or foreign payments without the required prior approval and, if substantiated, determining the amount of compensation to be recouped. The Secretary then advises the Defense Finance and Accounting Service (DFAS) to establish and collect the debt in the amount specified by the Secretary. DFAS notifies the retiree of the debt and provides them with repayment options, an

explanation of the process to contest the validity of the debt, and instructions for seeking a waiver for repayment.

Other laws may also affect military retirees' employment with a foreign government. For example, the Foreign Agents Registration Act generally requires individuals to register with the Department of Justice if they are acting on behalf of foreign interests in the United States. Additionally, the International Traffic in Arms Regulations governs the export of defense services, including military services, to foreign countries.

Military Services Each Define FGE, But Have Not Developed a Shared Definition or Application Procedures across All Services

Definitions of FGE Vary Across Military Services

FGE is not clearly defined in U.S. law or regulations. The FGE statute broadly authorizes this employment after approval has been received from the relevant Secretaries. Specifically, the FGE statute discusses "civil employment (and compensation for that employment), accepting payment for speeches, travel, meals, lodging, or registration fees, or accepting a non-cash award."⁷ However, the statute does not define "civil employment" or specify the types of civil employment that require approval. It also does not specify how the military services should determine if the employment requires their approval.

Without a clear definition of FGE in law or regulations, the military services have developed their own guidance to identify when FGE approval is required.

DOD's Financial Management Regulation indicates that officials should analyze the nature of employer-employee relationships (i.e., foreign government–military retiree relationships) to determine whether employment requires approval. DOD guidance states that the decisive test of an employer-employee relationship is whether the employer has the right to control and direct the employee in the performance of their work and in the manner the work is done.⁸

The military services have varying definitions of what they consider to be FGE in written guidance. The Army, Air Force, and Coast Guard provide guidance through regulations and instructions that are publicly accessible. The Marine Corps and Navy do not have publicly accessible guidance on FGE, and according to officials from both services, a Secretary of the Navy internal memorandum provides factors to consider for FGE. Specifically:

- The Army's guidance says FGE "includes direct or indirect employment by, representation of, or any provision of advice or services to the government of a foreign country or any company, entity, or other person whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized, in whole or in major part, by any government of a foreign country."⁹

⁷37 U.S.C. § 908.

⁸Department of Defense, *DoD 7000.14-R, Financial Management Regulation Volume 7B: Military Pay Policy – Retired Pay* (December 2023).

⁹Department of the Army, *Personnel-General: Foreign Government Employment*, Army Regulation 600-291, (June 7, 2024).

- The Air Force’s guidance, which also applies to the Space Force, describes FGE as “any civil employment with a foreign government, regardless of whether payment of wages is received. The decisive test to determine the existence of an employer-employee relationship with a foreign government is whether the foreign government has the right to control and direct the employee; specifically, in the performance of his or her work and in the manner in which the work is to be done.” The guidance also explains that commercial entities owned or controlled by a foreign government, foreign public universities controlled by a foreign government, U.S. companies working directly or indirectly for foreign governments, and partnership arrangements in which distributions are made from revenues collected from foreign governments are considered FGE.¹⁰
- The Coast Guard’s guidance describes FGE as “civil employment from a foreign government, or from companies owned by a foreign government.”¹¹
- The Navy’s guidance, which also applies to the Marine Corps, refers to FGE as “foreign civil employment with a foreign government or foreign government instrumentality.”¹²

In written responses to GAO, Marine Corps officials said FGE is defined in the FGE statute and cited interpretations of this definition from the U.S. Department of Justice Office of Legal Counsel (OLC) as additional guidance. According to Marine Corps and Navy officials, the OLC provided three factors to consider when assessing if an entity is a “foreign state” that would require FGE approval, including (1) whether a foreign government has an active role in the management of the decision-making entity; (2) whether a foreign government, as opposed to a private intermediary, makes the ultimate decision regarding the gift or emolument; and (3) whether a foreign government is a substantial source of funding for the entity.

Four of the five military services also referenced a 2013 white paper from the DOD Office of the General Counsel (OGC) that discusses FGE. Officials from DOD OGC said the white paper is an internal document that explains which DOD employees should seek approval prior to working for a foreign government and the different circumstances in which they should do so. The document describes the types of entities considered “foreign states,” including commercial entities and organizations owned or operated by a foreign government, and foreign public universities controlled by a foreign government.¹³ The document also explains that partnership distributions and payments from professional corporations in which clients are foreign governments would constitute FGE. DOD OGC officials said the white paper is intended to provide an overview of the requirements but is not an official statement of DOD policy or process. Army officials said that they use the white paper only for background and they do not use it on a regular basis when reviewing applications. The Marine Corps and Navy said they use the white paper to determine if the applicant’s employment requires approval.

The FGE statute, military service guidance, and DOD OGC white paper suggest that a variety of employment types may be considered FGE that requires approval, with variable degrees of specificity. Table 1 provides an

¹⁰Department of the Air Force, *Request for Approval of Foreign Government Employment of the Department of the Air Force Members*, Air Force Instruction (DAFI) 36-2913 (August 24, 2023).

¹¹Coast Guard, *Military Civil and Dependent Affairs* (COMDTINST M1700.1), (June 2017).

¹²Secretary of the Navy Memorandum, *Delegation of Authority to Approve Foreign Civil Employment with a Foreign Government or a Foreign Government Instrumentality* (June 1, 1981).

¹³The Air Force guidance and DOD white paper cite these same three criteria for determining whether a foreign entity is a “foreign state.”

overview of these employment types. An X indicates that the document references the employment listed in the first column.

Table 1: Employment Types That May Be Considered Foreign Government Employment (FGE) and Require Approval, by Source Document

Employment Types	FGE Statute	DOD OGC White Paper	Army Regulation	Air Force Instruction	USCG Commandant Instruction	Navy Memorandum
Civil employment with a foreign government	X	X	X	X	X	X
Civil employment with commercial entities owned or controlled by a foreign government	— ^a	X	X	X	X	—
Civil employment with foreign public universities controlled by a foreign government	—	X	—	X	—	—
Civil employment with U.S. companies working directly or indirectly for foreign governments	—	X ^b	X	X	—	—
Partnership distributions from revenues collected from foreign governments	—	X	—	X	—	—
Payment for speeches, travel, meals, lodging, or registration fees	X	X	—	X	—	—
Non-cash award	X	—	—	X	—	—

Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) information. | GAO-25-107145

^a“—” indicates that the source document does not specify the corresponding employment type.

^bThe Department of Defense (DOD) Office of General Counsel (OGC) white paper discusses consulting for a foreign government but not other forms of civil employment with U.S. companies.

Representatives from companies we spoke with told us the varying definitions of FGE across the military services often left them unsure whether their employees are subject to FGE requirements. Specifically, representatives from five of six companies who commented said it was hard to determine which employment or ownership structures require FGE approval, making them unsure when military retirees seeking employment with a foreign government are required to apply for FGE approval. Representatives from two of the six companies told us that they encouraged their employees to apply for FGE approval out of caution, even though they believed only the owners of the companies needed to do so because only the owners received compensation directly from foreign governments. Meanwhile, representatives from two other companies that commented said they were not sure what level of foreign control or ownership of a private company requires FGE approval.

Similarly, representatives from two of the companies we spoke to told us that the military services may give inconsistent advice to military retirees on whether approval is required. For example, representatives from one company said the Navy originally told them that approval was not required for their intended contract work with a foreign government. However, the Navy ultimately processed the FGE applications after realizing the other military services had done so for similar applications. Representatives from another company said they received “mixed messages” from the military services on which employees required approval.

Several individuals we spoke with, including officials from Coast Guard, representatives from four companies of FGE applicants, and two veterans' organizations, said there should be clearer guidance around the type of employment that requires approval for FGE. For example, Coast Guard officials said they would find it helpful if the law or regulations defined what employment was and was not permitted. Representatives from four companies and officials from the Coast Guard, and two veterans' organizations suggested the law or guidance should specify variable levels of scrutiny based on the country.

The FGE statute states that the military services are responsible for the FGE approval process but does not specify the type of employment requiring approval. Accordingly, each military service has interpreted the law independently and designed its own guidance and processes. *Standards for Internal Control in the Federal Government* calls for agencies to clearly define objectives, identify risks, and implement control activities through policies.¹⁴ However, DOD and Coast Guard have not developed a department-wide definition of the employment types requiring FGE approval. As a result, companies of FGE applicants and military retirees are unsure about what types of employment require approval.

DOD is developing guidance that may clarify the definition of FGE. In March 2024, the Acting Under Secretary of Defense for Personnel and Readiness directed staff to draft a policy on FGE restrictions. Officials from OSD told us they began developing this guidance because individuals within DOD wanted to standardize the FGE process. According to OSD officials, the policy will define standards for the military services and will include a definition of FGE. As of March 2025, an OSD official confirmed the policy remains in coordination but could not provide additional details, such as an anticipated finalization date. By developing department-wide guidance that establishes definitions for the types of employment that require FGE approval, DOD and Coast Guard can help ensure eligible military retirees understand when they are required to submit applications. This may reduce confusion and provide more information about the scope of military retirees working for foreign governments.

Military Services Have Similar Procedures for FGE Applications but Vary in Documented Requirements

All military services have developed similar application procedures to request FGE approval. According to service guidance and officials, the military services require applicants to submit the following three primary documents:

1. **Request memorandum**, a formal written request for FGE approval, typically addressed to the military service's human resources department. The Marine Corps does not require an FGE request memorandum, according to Marine Corps officials, but does ask applicants to provide any supporting documentation on the nature of the proposed employment and compensation.
2. **FGE questionnaire**, a document with 13 to 16 questions related to the proposed job title and duties, location of employment, and details on compensation and benefits, among others.
3. **Non-disclosure of classified information agreement**, a form that ensures individuals who are granted access to classified information understand their responsibilities in protecting that information from unauthorized disclosure.

¹⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014).

We found that the 203 FGE applications processed from 2019 to 2023 generally included these three documents, as shown in Table 2 below.

Table 2: Documentation in Foreign Government Employment (FGE) Applications from 2019 to 2023, by Military Service

	Total number of FGE applications processed in 2019 through 2023	Total number (and percent) of applications that included a request memorandum	Total number (and percent) of applications that included an FGE questionnaire	Total number (and percent) of applications that included a non-disclosure of classified information agreement
Army	104	104 (100%)	104 (100%)	104 (100%)
Marine Corps	12	8 (67%) ^a	12 (100%)	11 (92%)
Navy	24	24 (100%)	23 (96%)	24 (100%)
Air Force	47	47 (100%)	47 (100%)	47 (100%)
Coast Guard	16	16 (100%)	16 (100%)	15 (94%)

Source: GAO analysis of Department of Defense and U.S. Coast Guard data. | GAO-25-107145

^aThe Marine Corps does not require an FGE request memorandum, according to written responses from the Marine Corps. However, 67 percent of the Marine Corps applications we reviewed contained an FGE request memorandum.

Representatives from companies of FGE applicants said it is easy to comply with these requirements. Specifically, representatives from seven out of nine companies and the one veterans’ organization who commented said the FGE application process is straightforward, easy, and simple. However, representatives from two companies noted that compensation can be hard to describe when applicants will receive a share of the total contract value or when they are still negotiating the terms of employment.

Three of the five military services have documented their procedures in official guidance, and their documented application requirements vary. The Army, Air Force, and Coast Guard have written procedures for FGE applications. The Marine Corps and Navy do not have written FGE application procedures, according to officials from both services. The services’ written guidance offer varying levels of detail regarding what documentation is required beyond the three primary documents listed above. For instance, according to Army written responses, applicants are required to submit a letter, memorandum, or contract offer from the prospective employer. In contrast, as of August 2023, the Air Force guidance requires that applicants include 17 data points in their request memorandum and attach a copy of their tender of employment or contract. Prior to 2023, the Air Force required 13 data points in the memorandum. The Coast Guard’s guidance lists eight data points applicants should include in their requests.

While the Marine Corps and Navy do not have official procedures in written guidance, officials from both services said they receive the same primary documents. Marine Corps officials said they rely on unofficial written procedures to process applications. According to these procedures, the Marine Corps Retired Services and Pay office provides military retirees with a copy of the FGE questionnaire and non-disclosure agreement to complete after military retirees request FGE approval. Similarly, officials from the Chief of Naval Personnel said they provide applicants with the FGE questionnaire and non-disclosure agreement. As of March 2025, Navy officials stated that they were developing an instruction on FGE. This instruction is expected to include an updated FGE application containing 25 questions about prospective employer information, foreign employment details, and other basic applicant data. However, Navy officials were unable to provide additional details on the instruction, such as an anticipated finalization date.

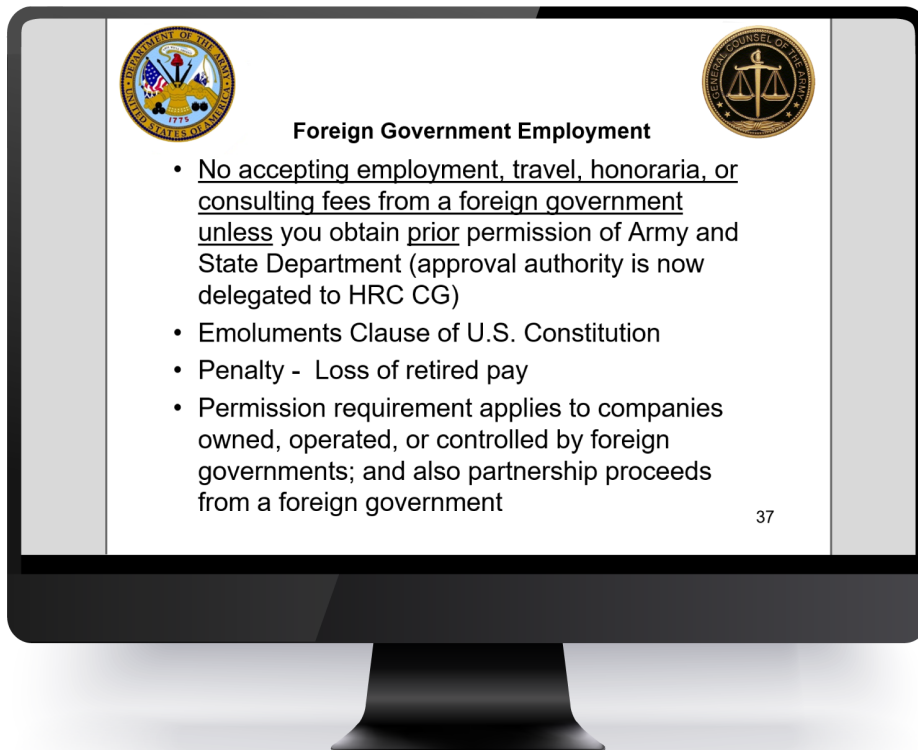
As noted earlier, the FGE statute assigns approval responsibility to the military services but does not specify the documentation or information they should collect from retirees to make their determinations. Each military service has developed its own application procedures, leading to variations in how FGE requests are reviewed and decided. *Standards for Internal Control in the Federal Government* emphasize the importance of documented internal control systems to ensure consistency and operational effectiveness.¹⁵ DOD and Coast Guard have not established department-wide baseline application procedures or requirements for FGE applications, resulting in variations across military services. Without a DOD and Coast Guard department-wide baseline, there is no reasonable assurance that military services are reviewing the same set of standardized documents for FGE requests, leading to potential discrepancies in how approvals are determined.

Military Services Communicate FGE Requirements, but Additional Information Could Help Improve Retirees' Awareness and Compliance

All five military services provide retiring service members with information on FGE requirements during retirement briefings as part of the Transition Assistance Program (TAP)¹⁶, but stakeholders we interviewed expressed varying opinions on whether this communication is effective. Army officials provided examples of slide decks that contain information about FGE that they share at these sessions (see fig. 3).

¹⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 2014).

¹⁶TAP provides information and training to help service members transition from active duty to civilian life. The military services are required to conduct pre-separation counseling and provide other transition services to service members leaving active duty. See 10 U.S.C. §§ 1141 et seq. The Marine Corps' program is known as the Transition Readiness Seminar.

Figure 3: Sample Briefing Slide with Information on Foreign Government Employment

Source: Department of Defense (DOD) (data), 11ua/stock.adobe.com (image). | GAO-25-107145

Note: Army officials told us that the approval authority referenced in Figure 3 has undergone revision. Prior to Dec 2023, the Deputy Assistant Secretary of the Army for Military Personnel & Quality of Life handled applications submitted by general officers or concerning “newsworthy” matters, while all other FGE applications fell under the purview of the Human Resources Command Commanding General. However, since January 2024, following adjustments necessitated by the National Defense Authorization Act, the Assistant Secretary of the Army for Manpower & Reserve Affairs has been tasked with approving all FGE applications, according to Army officials.

The level of detail on FGE provided during retirement briefings varies by location and rank, according to officials. Coast Guard officials noted that the office responsible for TAP maintains a webpage summarizing ethics guidance, including information on the emoluments clause. Similarly, Air Force officials said that all retiring lower ranking personnel attend TAP, where they watch a video that includes high-level information on FGE. Airmen are told to contact a legal advisor if they have additional questions. However, retiring general and flag officers receive personalized in-person briefings with more details. Coast Guard officials stated that they offer an annual “Executive TAP” course in the spring for flag officers and retiring senior enlisted members, which includes information about the emoluments clause. Army, Air Force, and Marine Corps officials added that they also occasionally share FGE information in retiree newsletters.

In addition to the information shared by their military services, military retirees receive regular communication from DFAS, which processes military retirees’ pay and benefits. DFAS officials said they added language about FGE into retirement account statements beginning in March 2024 (see fig. 4). Air Force officials said they observed an increase in inquiries about FGE and application submissions after DFAS added the FGE language in retirement pay statements. DFAS officials said they were satisfied with their current communication channels and were not pursuing additional options.

Figure 4: Sample Retirement Account Statement with Message About Foreign Government Employment

ALLOTMENTS		
ALLOTMENT TYPE INSURANCE	PAYEE [REDACTED]	AMOUNT [REDACTED]
ARREARS OF PAY BENEFICIARY INFORMATION		
THE FOLLOWING BENEFICIARIES ARE ON RECORD:		
NAME [REDACTED]	SHARE [REDACTED]	RELATIONSHIP [REDACTED]
MESSAGE SECTION		
RETIRED PAY CAN BE FORFEITED IF YOU RECEIVE COMPENSATION INCLUDING BENEFITS FROM A FOREIGN GOVERNMENT (FG) OR ENTITY CONTROLLED BY A FG WITHOUT ADVANCE PERMISSION. CONSULT YOUR FORMER SERVICE FOR APPROVAL. HTTPS://DODSOCO.OCG.OSD.MIL/CONTACT/ ***		

Source: Department of Defense (DOD). | GAO-25-107145

Despite these communications, representatives we interviewed from eight companies and one veterans’ organization questioned whether all military retirees are aware of the FGE requirements. Representatives from five of the eight companies who commented said they do not believe all military retirees are aware of FGE requirements, noting that while military retirees may be vaguely aware of post-government employment restrictions, they are not aware of the FGE approval requirement and process specifically. Representatives from another company said they believed most lower ranking officers are unaware that they must seek approval for FGE because they think only general officers must apply. Lastly, representatives from the two remaining companies that commented and one veterans’ organization offered mixed opinions about how aware military retirees were of FGE requirements.

Company representatives said that in their experience military retirees have limited recollection of retirement briefings. Representatives from eight companies who were military retirees and had applied for FGE said they could not remember the details of their TAP class. Representatives from six of these eight companies thought FGE had been covered at TAP but were not certain. They said that TAP contains a lot of information, and they were not necessarily paying attention to FGE information during their TAP session. Representatives from one company said officers who have been retired for several years may not remember the details of their TAP class, so FGE reminders would be useful.

OSD officials said that improving outreach and education about FGE will be a focus of OSD’s forthcoming guidance. OSD’s guidance may outline the military services’ roles and responsibilities for educating service members about FGE and communicating FGE information to retired officers, according to an OSD official. Officials said that their goal is for service members to hear about FGE at multiple points throughout their service, not only during TAP sessions.

Representatives from seven of eight companies and officials from one veterans’ organization that commented, questioned the degree to which all military retirees are adhering to FGE requirements because the retirees may not have heard of the FGE approval requirement or did not realize it applied to them. Officials from one veterans’ organization commented that the approximately two hundred applications from 2019 to 2023 seemed like an underestimation of the number of retirees likely engaged in FGE. According to a DOD Office of the

Actuary report, there were over 1.8 million military retirees receiving retired pay as of September 30, 2022.¹⁷ Of these, around 465,000 were retired commissioned officers. The 203 FGE applications approved or denied over five years amount to less than 0.0112 percent of the total population of military retirees receiving retired pay as of September 30, 2022.

The military services provide information on FGE requirements to retiring service members through retirement briefings during the Transition Assistance Program, though the FGE statute does not mandate this communication. But the level of detail shared varies across military services, and the information provided depends on the retiring service member's rank. *Standards for Internal Control in the Federal Government* emphasize the need for management to communicate effectively with external parties to support oversight and internal control functions.¹⁸ As described below, applying for FGE approval relies in part on retirees applying for approval at their own initiative. This further demonstrates the role that military services' communication plays in ensuring retirees are aware of their responsibilities under the FGE requirements. By providing additional communication to retired service members, DOD and the Coast Guard can improve awareness of FGE requirements, ensure broader compliance with these regulations, and strengthen overall communication regarding FGE policies.

Representatives from six companies and officials from one veterans' organization who commented said they were not aware of any oversight mechanisms over individuals approved for FGE or individuals who should have requested FGE approval but had not. Some said that receiving FGE approval does not make sense if the U.S. government does not follow up or monitor those approved to work for foreign governments. Representatives from two companies and Air Force officials described the FGE process as an "honor system." Additionally, most military services said they do not require applicants to renew their FGE applications, so they cannot follow up with approved applicants. Only the Air Force limits the duration of approval and has a renewal process. The Air Force grants approval for three years and requires individuals approved for FGE to reapply six months prior to the end of the three-year period.

Officials from the military services said they have limited capacity to identify and track military retirees who are not in compliance with the law. Officials from four military services that responded said they are not required to track FGE applications or identify military retirees who may be working without FGE approval. For example, Army officials questioned whether they had the authority and capacity to provide additional oversight over the FGE process, adding that the sheer number of military retirees would make it "impractical, if not impossible" to proactively find individuals working for foreign governments without approval. DOD OGC also said that DOD is not required, nor has the capacity, to continuously identify post-government employment of former service members. However, officials from some military services said they investigate any allegations of military retirees engaging in FGE without approval.

Agency officials and stakeholders we interviewed provided mixed opinions on the effectiveness of the penalty for working without FGE approval. Officials from two military services, representatives from six companies and two veterans' organizations said that the penalty encouraged military retirees to comply with the law. Representatives from four of those six companies told us they or their employees had applied at least in part because of the penalty. However, officials from two agencies and representatives from three companies said

¹⁷The 1.8 million military retirees include retired reserve members but does not include any military retirees receiving disability pay. This counts individuals who retired at the E-4 rank or higher. GAO did not independently verify the accuracy of these estimates.

¹⁸GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C. Sept. 2014).

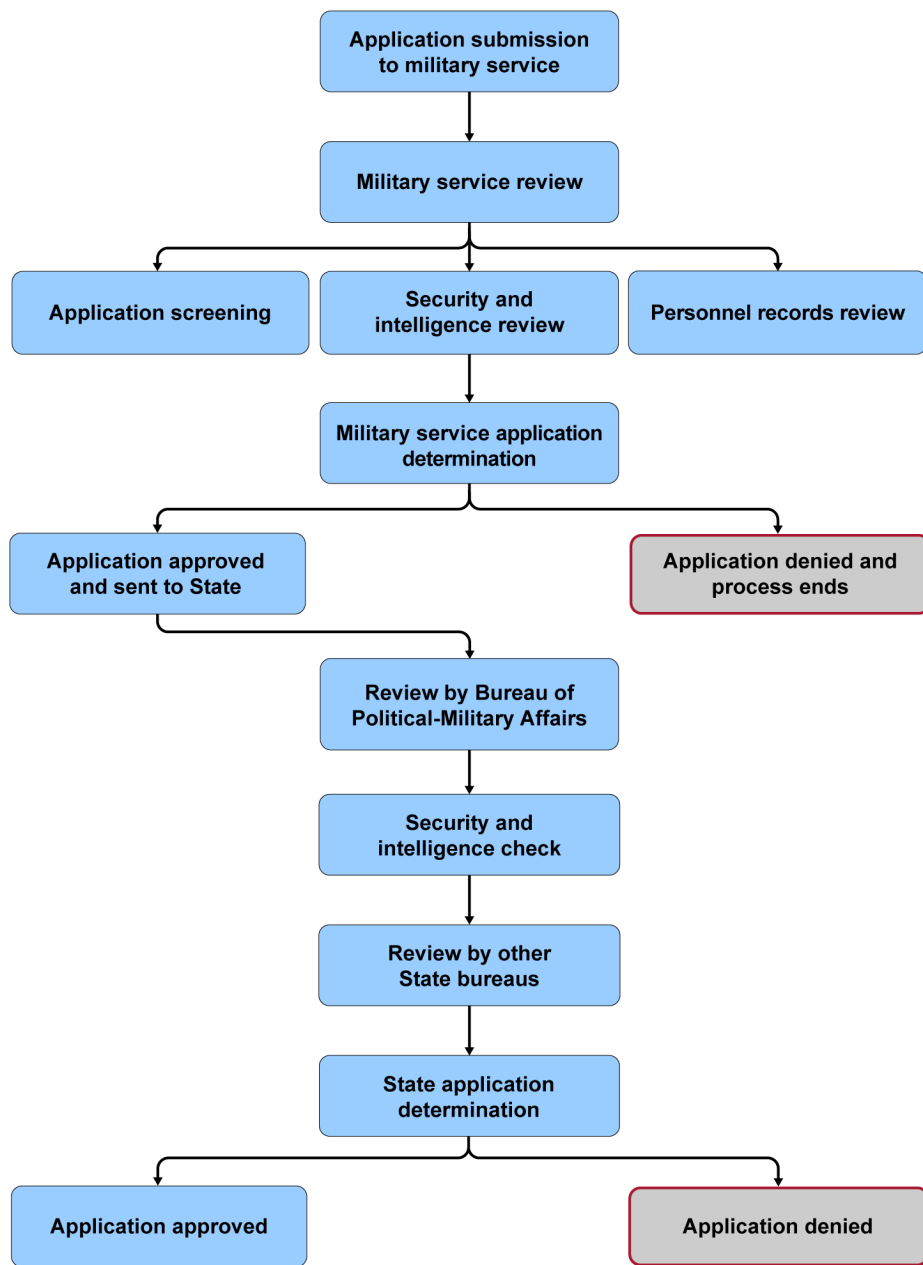
the penalty is only effective up to a point. According to the officials, the penalty may be insignificant for individuals receiving substantial compensation from their foreign employer (because compensation would be larger than retirement pay). DFAS officials confirmed that the U.S. government has applied the FGE penalty to four individuals from 2019 to 2023. DFAS has collected the full payment from two individuals and continues to collect payments from the other two.

Agencies Apply Varying Factors to Review FGE Applications, but Approve Almost All

Military Services Use Similar Approval Processes but Consider Varying Factors for Approving or Denying FGE

The FGE statute grants the secretaries of the military departments and the Secretary of State the authority to review and approve FGE applications. The process begins when the military service receives an FGE application. The military service reviews the application and conducts various checks to determine whether to approve or deny the application. If the application is approved by the military service, it is then forwarded to State for further review and approval. Figure 5 provides an overview of the FGE application review and approval process.

Figure 5: Foreign Government Employment Application Review and Approval Process



Source: GAO analysis of Department of Defense, U.S. Coast Guard, and Department of State information. | GAO-25-107145

Each military service has developed similar review processes for FGE applications, according to DOD. These review processes involve three main stages: application intake, a multi-step service review, and an application determination.

- **Application Intake:** Military services designate a point of contact responsible for receiving and verifying the completeness of FGE requests. For example, Army retirees submit their applications to the U.S. Army

Human Resources Command, according to Army guidance. This command ensures FGE applications contain all necessary documents and data before the next step.

- **Multi-step Review:** The multi-step service review covers an application screening, security and intelligence review, and personnel records review, which can be completed in any order. The Army and Air Force have additional steps for reviewing and approving FGE requests. Army FGE requests are reviewed by the Command Judge Advocate to screen for potential conflicts of interest. Air Force FGE requests are reviewed by the Foreign Government Employment Review Board.
 - **Application Screening:** Military services determine whether FGE approval is necessary for the proposed employment and evaluate any derogatory information about the retiree. If FGE approval is required, the application proceeds to further checks. If not, the retiree receives a “non-referral” letter explaining why the emoluments clause is not implicated, and the FGE process ends.
 - **Security and Intelligence Review:** Military services conduct a security and intelligence review on both the retiree and the prospective country of employment to determine whether FGE approval would be inadvisable. For example, according to Air Force guidance, the Air Force’s Office of Special Investigations conducts a background check of the retiree and prepares a country counterintelligence memo, which the FGE approving official reviews.
 - **Personnel Records Review:** Military retiree’s human resources records are examined for any derogatory information that could reflect unfavorably on the United States. For example, according to Coast Guard officials, for a conduct issue to affect the FGE application review, the issue must be significant enough to potentially cause embarrassment to the United States, such as past court-martials.
- **Application Determination:** After the military service completes the multi-step review, the FGE application and collected information are forwarded to the designated FGE approving official or delegate for a decision. This official reviews the FGE application and any information collected by the military service, then decides whether to approve or deny the FGE request. If denied, the service member is notified, and the process concludes. If approved, the application is forwarded to the Department of State.

Prior to December 2023, the FGE statute required the military service and Secretary of State to review and approve FGE but did not require a determination of whether FGE approval was contrary to the national interest. The FGE statute does not specify the factors the military services should consider when determining whether to approve or deny a FGE request. As a result, each military service independently developed procedures for reviewing and evaluating FGE applications. Some of the military services have documented their FGE procedures and evaluation factors in publicly accessible official guidance, while others rely on internal memos.

- **Army:** According to written responses, the Army reviews FGE applications by evaluating intelligence threats and derogatory information in the retiree’s military personnel record. This review focuses on potential threats posed by the foreign employer, the position, and the foreign country. According to Army guidance, these are the first two reviews before the application moves forward.
- **Marine Corps and Navy:** The Marine Corps and Navy apply four criteria when reviewing FGE applications: potential adverse effects on U.S. foreign relations, whether there is the potential for any undue influence upon the U.S. by the foreign government, whether the proposed FGE will jeopardize U.S.

security, and whether the proposed FGE will violate any U.S. laws, according to written responses. These criteria are outlined in an internal Secretary of the Navy memo that is not publicly accessible.¹⁹

- **Air Force:** The Air Force's FGE evaluation process, detailed in Air Force guidance, include nine factors to consider when determining whether to approve an FGE request, such as whether the employment relationship with the foreign country could reasonably be expected to increase intelligence threats to the United States. Additionally, the Air Force conducts background checks on the retiree and assesses potential risks and threats associated with their proposed employment and foreign country.
- **Coast Guard:** According to Coast Guard officials, the Coast Guard reviews FGE applications by focusing on the company and the country where the retiree seeks employment. Coast Guard assesses the relations between the country or company and the United States, the retiree's reasons for seeking employment, the employment duration, and whether an oath of allegiance to a foreign country is required, according to Coast Guard officials.

Three military services also discussed the extent to which they consider whether military retirees' FGE will involve programs for which they had oversight while serving. For example, according to Army Regulation 600-291, the Human Resources Command Judge Advocate is tasked with reviewing applications to ensure no derogatory information existed to preclude any possible conflict between an individual's former military assignment and their prospective duties with a foreign government. According to Army officials, this review is based on responses provided in the FGE questionnaire, which asked if the applicant had previously engaged in matters involving the foreign country during their military service. Air Force officials said they consider an applicants' previous duties and tasks, although the Air Force's guidance does not list this as one of the nine factors the Air Force must consider when approving FGE requests. Navy officials said they consider these circumstances "indirectly, but not specifically" and would not approve FGE where the foreign government would have undue influence over the retiree.

Three of the five military services stated the need for clearer guidance and more standardized approval processes due to the broad and undefined nature of current laws, regulations, and guidance regarding FGE applications.

- Air Force officials recommended establishing baseline standards or criteria for the military services and State to review applications and implement uniform vetting requirements. They also suggested developing a standardized process at the OSD level, including a board of representatives from all services and a universal FGE questionnaire for applicants.
- Marine Corps officials said that publishing Department of the Navy guidance that outlines the FGE application process and its requirements would greatly improve clarity and transparency. In March 2025, Navy officials stated that they were developing a Secretary of the Navy instruction on FGE, for use by the Navy and Marine Corps.
- Coast Guard officials proposed that the Secretaries of Defense, Homeland Security, and State collaborate to create a unified FGE process. This would involve developing a single policy applicable to all armed forces personnel and producing a document with guidance and advice for use across all military services.

¹⁹As of March 2025, Navy officials stated that they were developing a SECNAV instruction on FGE. This instruction is expected to include an updated FGE application containing 25 questions about prospective employer information, foreign employment details, and other basic applicant data. However, Navy officials were unable to provide GAO with an anticipated finalization date.

- Army officials said that the current DOD and Army guidance was sufficient and did not think further changes would improve or clarify their roles in granting FGE approval.

Representatives from some companies of FGE applicants expressed concerns about the varying FGE approval standards across military services, saying that these inconsistencies could lead to different outcomes for similar applications. Representatives from four companies noted the lack of clarity in the agencies' approval processes, describing them as "opaque," "not black and white," and "more subjective than objective." Representatives from another company worried that different military services might reach different conclusions on two applications for the same contract or job and explained that this inconsistency made it difficult to assemble project teams if some employees received FGE approval while others did not. State officials also shared concerns that the military services might not apply consistent standards when reviewing and approving FGE applications.

The guidance being developed by OSD may include baseline application requirements and evaluation factors for all FGE applications across DOD, according to OSD officials. An OSD official indicated this effort is in response to interest in standardizing the FGE application process.

While the FGE statute tasks military services with reviewing and approving FGE requests, it does not provide evaluation factors for these decisions. Consequently, each military service developed its own evaluation factors, but not all military services have documented all evaluation factors in official guidance. The *Standards for Internal Control in the Federal Government* emphasize the need for agencies to clearly define objectives to identify risks and set risk tolerances, directing agency management to implement internal controls through policies.²⁰ These standards also state that management should document internal controls in management directives, administrative policies, or operating manuals. DOD and Coast Guard have not developed and documented shared minimum evaluation factors for FGE applications, leading to potential inconsistencies across military services. Without shared minimum evaluation factors documented across all military services, DOD and Coast Guard do not have reasonable assurance that FGE approvals are made to a consistent standard across the military services. Additionally, the absence of shared minimum evaluation factors raises the likelihood that military services may not be consistently assessing applications against U.S. national interests.

State Has Not Documented Factors for Determining Whether Proposed FGE Is Contrary to U.S. National Interests

The FGE statute tasks the Secretary of State with determining that proposed employment is not contrary to U.S. national interests before approving FGE applications. Prior to December 2023, the FGE statute only required that State approve the proposed FGE before the employee accepted the employment. Additionally, Title 22 of the U.S. Code of Federal Regulations Part 3a provides additional guidance on how State reviews proposed FGE requests from military retirees. Specifically, the regulations require that State's decisions to approve or deny the application must be based on whether the proposed FGE would adversely affect U.S. foreign relations.

State has developed procedures for reviewing and approving FGE applications that are outlined in standard operation procedures. According to State officials, the review process involves four main stages: application

²⁰[GAO-14-704G](#).

intake, background check, internal application review, and application determination. According to State, the processing of FGE applications does not vary based on military service and follows the steps below.

- **Application Intake:** The primary action officer within State's Bureau of Political-Military Affairs receives FGE applications that have been approved by the military service. The officer reviews the applications for completeness. Applications missing information are returned to the military service with details on the missing elements.
- **Background Check:** The primary action officer requests a background check of the applicant and their prospective employer from the National Counterintelligence Task Force. This task force generates an FGE memo that includes any noteworthy information. The memo is then added to the FGE application.
- **Internal Application Review:** The primary action officer coordinates State's internal review process with various State offices. According to State's FGE standard operating procedures, the application and accompanying action memo are forwarded to at least seven State offices and bureaus, including the Directorate of Defense Trade Controls, the Office of Regional Security and Arms Transfers, the Legal Department, and the respective country desk. These offices assess the application for potential effects on U.S. foreign policy and ensure the proposed employment is not contrary to U.S. national interests, adding additional memos if relevant information is found.
- **Application Determination:** Once all reviews are completed, the application and collected information are compiled into one package. The Bureau of Political-Military Affairs conducts a final review to ensure all required offices have signed off and provided input, if any, on the application. The package is then sent to the Assistant Secretary of State for Political-Military Affairs for review and decision. Approved applications receive a "notification of approval," while denied applications are issued a "notification of disapproval."

As previously noted, as of December 2023, the FGE statute requires that the Secretary of State determine that proposed FGE is not contrary to U.S. national interests before the applicant may accept employment. Additionally, federal regulations require that the Secretary of State base approval decisions on whether the proposed FGE would adversely affect U.S. foreign relations. However, neither the statute nor the regulation provides specific evaluation factors for these determinations. Consequently, State officials responsible for reviewing FGE applications told us they are unsure of the specific factors they are supposed to review. Specifically, State officials were unsure if evaluating the effect on U.S. foreign relations meant that they were responsible for vetting the country, the employer, the applicant, or all three.

According to State officials, their evaluation primarily focuses on identifying potential effects on U.S. foreign policy, using State's FGE regulations as the evaluation criteria. They approach these applications from a foreign policy perspective rather than a security mindset, concentrating mainly on the retiree's new job description, the foreign country of employment, and the applicant's security clearance level. Additionally, information on military retirees' active duty service is not provided to State and therefore is not used in evaluating applications. State officials we interviewed said that without specific guidance they do not know how to effectively evaluate applications.

The *Standards for Internal Control in the Federal Government* emphasize the need for agencies to clearly define objectives to identify risks and set risk tolerance, and for management to implement internal control activities through policies.²¹ Without clearly defined and documented factors for evaluating FGE applications,

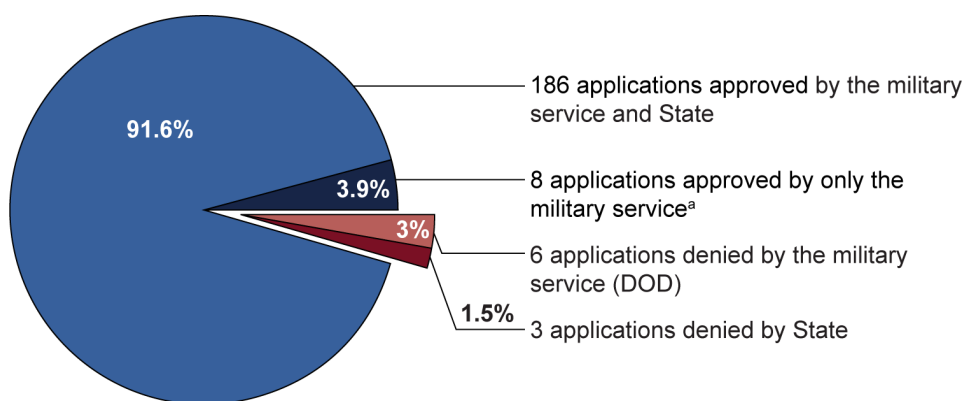
²¹[GAO-14-704G](#).

State cannot reasonably ensure that its approval decisions appropriately account for all relevant factors in assessing the effects of FGE on U.S. foreign policy and national interests.

Agencies Approved Over 95 Percent of FGE Applications

From 2019 to 2023, DOD, DHS, and State evaluated 203 FGE applications from retired service members.²² Over 95 percent of these applications (194 out of 203) were approved, as illustrated in Figure 6. Some agency officials and stakeholders we interviewed also shared their perspectives on the communication and timeliness of the FGE review process as discussed at the end of this section.

Figure 6: Approval and Disapproval Rates of Foreign Government Employment Applications, Calendar Years 2019–2023



Total applications = 203

Source: GAO analysis of Department of Defense (DOD), U.S. Coast Guard (USCG), and Department of State data. | GAO-25-107145

^aAccording to 37 U.S.C. § 908(c), FGE applicants requesting approval for payment for speeches, travel, meals, lodging, registration fees, or to accept a non-cash award only require review and approval by the Secretary of concern of the military department. State does not review these applications for payments, but State reviews applications for employment.

GAO's analysis of FGE applications data from 2019 through 2023 indicates an approval rate of approximately 95.5 percent, with 194 out of 203 applications being approved. Of the applications, about 91.6 percent (186 of 203) were approved by both the military service and State, while approximately 3.9 percent (eight of 203) required approval from the military service and not State. Conversely, the denial rate stood at approximately 4.5 percent, with nine out of 203 applications denied. Of these denials, six were denied by the military service, and three were denied by State.

Despite the high approval rate, stakeholders raised concerns about the timeliness of the FGE approval process. Representatives from seven companies of FGE applicants and two veterans' organizations told us that FGE approval is too slow, with approval times ranging from 6 to 18 months. Representatives from five of these companies mentioned losing business or employment opportunities due to the delays. The processing time frames led some companies to believe that processing FGE applications is not a priority for the military services. Representatives from four companies and one veterans' organization recommended a review period of one month as more acceptable. Officials from another veterans' organization suggested a 90-day period, with automatic approval beyond those 90 days. Marine Corps officials noted that some applicants approved for

²²Additionally, DOD and DHS provided data on 13 pending applications, 11 withdrawn applications, four applications that had been approved in 2018, and six applications that had been approved or denied in 2024. For the purposes of this report, the total number of applications considered is the 203 that were approved or denied from 2019 to 2023.

FGE never started the work because the approval process took too long. Coast Guard and Navy officials also acknowledged that some applicants had expressed frustration over the lengthy approval times. However, representatives from two companies of FGE applicants reported receiving approval within approximately one month, and another two said that the delay did not affect them.

Our analysis of FGE application processing times for applications approved or denied from 2019 through 2023 indicate that the average (mean) time required for approval or denial by both the military service and State was, approximately 215 days.²³ Additionally, the median processing time by both the military service and State was approximately 164 days. Among the services, Navy FGE applications took the longest, averaging 235 days for the 24 applications submitted by its retirees. Marine Corps FGE applications had the shortest processing time, with an average of 184 days for the 12 applications submitted by its retirees. Of the remaining services, the 104 Army FGE applications took approximately 216 days on average to be approved or denied, the 47 Air Force FGE applications took approximately 221 days on average, and the 16 Coast Guard FGE applications took approximately 191 days on average.

State officials acknowledged there are inefficiencies in their FGE process, noting that State's review process "takes months when it should be weeks." They indicated that State conducts a redundant review of FGE applications since the military services do not share the information they gather during their review. However, State officials also mentioned that they must process portions of FGE applications at the SECRET level, which slows down their review.

Representatives from eight companies we interviewed also provided perspectives about the level of communication from agencies during the approval process. These representatives told us that agencies do not communicate transparently with military retirees regarding their application status or the reasons for approval or denial. Representatives mentioned that when they contacted military services for more information, they received limited updates and could not track the progress of their applications. Some said they received limited information on why applications were approved or denied. For example, a representative who had applied for FGE approval was unaware of the reasons for the denial of two applications, as the Air Force had not provided a response. Military service guidance does not require that military services provide a reason for denials. However, representatives from three companies said military service contacts were helpful and provided information after they reached out as FGE applicants.

The military services differ in their approaches to communication with applicants. Marine Corps officials stated that they generally communicate with applicants until the FGE applications are approved; once approved there is no additional contact with the applicant. Army officials told us they keep applicants informed throughout the review process.

As noted earlier, officials from OSD stated they are developing FGE guidance to standardize the application process. According to OSD officials, the guidance may include review timelines and details on the information military services should collect as part of an FGE application. As of March 2025, an OSD official stated the policy remained in coordination.

²³GAO analyzed processing times by defining the start date as the date listed on the FGE request memo or FGE questionnaire and the end date as the date on the approval or denial letter. Of the 203 FGE applications reviewed, 189 were reviewed by both the military service and the State Department. The remaining 14 applications were reviewed only by the military service, either because they did not require State Department review or were denied by the military service and not forwarded to State.

Conclusions

Many retirees from the U.S. military have skills and experience that are valuable to foreign governments. These skills can promote and strengthen ties between the United States and other countries. However, FGE can also present sensitivities and risks, especially when the foreign government may have goals or intentions that conflict with U.S. national interests.

The FGE statute requires that before military retirees accept FGE, the secretaries of the military departments and the Secretary of State must approve these requests and must determine that the employment is not contrary to U.S. national interests. State also bases approval decisions on whether the proposed employment would have an adverse effect on foreign relations. However, the law does not define what constitutes FGE or factors the approvers should consider when evaluating applications. As a result, the military services and State have developed their own individual FGE application guidance and procedures based on their interpretation of the law's intent. Without department-wide guidance from DOD and the Coast Guard that reflects a shared understanding of what constitutes FGE, military services and retirees may be unsure about when FGE approval is required. Some military retirees may not seek FGE approval because they do not realize they are required to, which may present serious national security risks. Establishing shared baseline application procedures and providing additional communication of FGE requirements to retirees would help ensure consistency and improve awareness. Without these measures, military services cannot be sure that all individuals to whom this law applies are submitting applications as required. Moreover, the military services do not have shared minimum factors for reviewing and approving FGE applications. Without shared factors, military services may not consistently evaluate applications or their potential effects on U.S. national interests.

While State's evaluation of FGE applications also focuses on adverse effects on U.S. foreign relations, neither the FGE regulations nor State's internal guidance outlines specific factors to inform the agency's FGE determinations. State officials generally understand their role, but there is less assurance that key factors are systematically reviewed to ensure consistent FGE application determinations. In the absence of clearly developed and documented evaluation factors to guide their review, State officials acknowledged uncertainty in assessing FGE applications.

Recommendations for Executive Action

We are making five recommendations, including two to DOD, two to DHS, and one to State:

The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, working in coordination with Coast Guard, develops department-wide FGE guidance that includes a definition of the employment types that require approval, baseline application procedures, and systems to communicate these requirements to military retirees. (Recommendation 1)

The Secretary of Homeland Security should ensure the Commandant of the Coast Guard, working in coordination with the Under Secretary of Defense for Personnel and Readiness, defines employment types requiring FGE approval, outlines baseline FGE application procedures, and develops a system for communicating these requirements to Coast Guard retirees. (Recommendation 2)

The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, working in coordination with Coast Guard, develops and documents shared minimum evaluation factors to consider when reviewing FGE applications, including for effect on U.S. national interests. (Recommendation 3)

The Secretary of Homeland Security should ensure the Commandant of the Coast Guard, working in coordination with the Under Secretary of Defense for Personnel and Readiness, develops and documents shared minimum evaluation factors to consider when reviewing FGE applications, including for effect on U.S. national interests. (Recommendation 4)

The Secretary of State should ensure the Assistant Secretary for Political-Military Affairs develops and documents factors for evaluating FGE requests from military retirees for adverse effects on U.S. foreign relations and for effect on U.S. national interests. (Recommendation 5)

Agency Comments

We provided a draft of this report to DOD, DHS, and State for review and comment. Each agency provided written comments that are reprinted in appendixes III, IV, and V, respectively. They also offered technical comments that we incorporated where appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Defense, the Secretary of Army, the Secretary of Air Force, the Secretary of Navy, the Secretary of Homeland Security, the Secretary of State, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at reynoldsj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VI.

//SIGNED//

James A. Reynolds
Acting Director, International Affairs and Trade

Appendix I: Objective, Scope, and Methodology

This report examines (1) the extent to which the agencies have defined employment types requiring approval and developed procedures for military retirees to submit FGE applications and (2) the extent to which agencies have developed FGE approval policies and procedures, as well as trends in FGE applications.

Our review focuses on FGE of retirees of the U.S. armed forces and covers the period 2019 through 2023, the last full year for which data were available. Throughout this report, we refer to five military services (Army, Marine Corps, Navy, Air Force, and Coast Guard)¹ and use “military retiree” to denote retired members of the U.S. armed forces.

To determine the extent to which the agencies have defined employment types requiring FGE approval, developed processes for military retirees to submit FGE applications, and developed FGE approval policies and procedures, we reviewed various FGE policy documents. These included relevant laws and regulations including 37 U.S.C. § 908 and Part 3a of Title 22 of the U.S. Code of Federal Regulations; service-level guidance like Army Regulation 600-291, the Department of Air Force Instruction 36-2913, and the Commandant Instruction M1700.1; DOD’s Financial Management Regulation 7000.14-R and white paper on applications of the Emoluments Clause; and State’s FGE Standard Operating Procedures and FGE Best Practices and Procedures documents. We then reviewed the text within the FGE statute, State regulations, and publicly accessible FGE military service guidance to identify any employment types that could potentially be considered FGE. This analysis resulted in the identification of seven employment types mentioned in the source documents that may be considered FGE. We then assessed whether the definitions of FGE in those documents explicitly listed each of these seven employment types.

We evaluated the FGE applications against the requirements in the military services’ guidance to ensure the applications contained all required information. We used Army Regulation 600-291, the Department of Air Force Instruction 36-2913, and the Commandant Instruction M1700.1 to evaluate applications from the Army, Air Force, and Coast Guard, respectively. For the Marine Corps and Navy, we used written responses as our criteria to evaluate FGE applications, given that publicly available FGE guidance detailing required submission documents is not available. For all military services, the evaluation process involved verifying if each application included three primary documents: (1) the FGE request memorandum, (2) the FGE questionnaire, and (3) the non-disclosure of classified information agreement. Additionally, we reviewed the corresponding documentation from State for each application, including State’s action memo and approval letter or denial letter. Action memos were examined to confirm the inclusion of the State bureaus or offices involved in the FGE application review process. To determine whether the three documents were present, an analyst independently reviewed and coded each application. A second analyst then reviewed the coding for agreement. Any disagreements were addressed through discussion and resolved. If documentation was found to be missing, we requested it from the respective military service or State and updated the analysis accordingly once the documentation was provided.

For both objectives, we conducted 26 semi-structured interviews from three interviewee types about their perspectives on FGE: (1) officials from the five military services, other DOD agencies, and State; (2) representatives from employers of FGE applicants, and (3) representatives of nonprofit veterans’ support

¹For purposes of this report, we included Space Force data within the Air Force data, as they share an FGE process.

organizations (abbreviated to veterans' organizations). We conducted additional interviews with officials from five military services (Army, Marine Corps, Navy, Air Force, Coast Guard), Defense Finance and Accounting Service, Office of the Secretary of Defense, DOD Office of the General Counsel, and State about their request processes and procedures to review and approve FGE applications. We used the methods described in Table 3 below to select nine agency groups, 14 employers of FGE applicants, and three veterans' organizations for interviews.

Table 3: Agencies and Stakeholders GAO Interviewed for Perspectives on Foreign Government Employment and GAO’s Selection Criteria

Officials and Stakeholders (number)	Selection Criteria	Data collection methodologies
Agency groups (9)	To identify “agency groups,” we reviewed the FGE statute (37 U.S.C. § 908) to determine which individuals must request FGE approval. The statute requires retirees from the uniformed services—which includes the Army, Marine Corps, Navy, Air Force, Space Force, Coast Guard, Public Health Service Commissioned Corps, and NOAA Commissioned Officer Corps—to obtain FGE approval. However, the provision for GAO’s report in House Report 118-125 focuses specifically on former officers of the U.S. Armed Forces: the Army, Marine Corps, Navy, Air Force, Space Force, and Coast Guard.	We interviewed officials from the five military services (i.e., Army, Marine Corps, Navy, Air Force, and Coast Guard), the Department of State, and two other DOD offices: the Defense Finance and Accounting Service and the Office of the Secretary of Defense. The DOD Office of the General Counsel provided written responses to our questions.
Employers of FGE applicants (14)	To identify “employers of FGE applicants,” we analyzed 203 FGE applications approved or denied between 2019 and 2023, identifying the employers listed in these applications. We spoke with all employers who responded affirmatively to our outreach and self-selected into the sample. Therefore, this is a nongeneralizable sample, and employers of FGE applicants in our sample may not reflect the views of all FGE employers. In total, GAO collected feedback (either via interviews or written response) from 14 employers of FGE applicants: three foreign companies, 10 U.S. companies, and one foreign government that provided written responses.	We contacted 65 employers associated with FGE applications for long-term employment, offering to meet virtually or in-person. We did not contact employers for conferences, one-time speaking engagements, and other short-term employment. We attempted to contact all identified employers, but some did not have available contact information, and not all responded. Of the 65 employers we contacted, we successfully interviewed representatives from 14 employers. Representatives from 10 of the 14 were military retirees that had personally applied for FGE approval during this period. One employer, which provided written responses, represented a foreign government that hired a military retiree who had applied for approval. The remaining three companies were represented by individuals who had not personally submitted applications but shared insights as employers of those seeking approval.
Veterans’ Organizations (3)	We identified veterans’ organizations through a literature review, internet searches, and referrals, ensuring diverse perspectives on FGE processes and policies. We contacted representatives from the organizations’ national headquarters.	We contacted six veterans’ organizations offering to meet virtually or in-person and met with the three who responded affirmatively to our outreach.

Source: GAO | GAO-25-107145

We asked open-ended questions that encouraged interviewees to share their perspectives on the effectiveness of FGE policies and approval processes without limiting their responses. Generally, our questions covered topics such as (1) stakeholders' understanding of the FGE application process, (2) the strengths and challenges of FGE review and approval, (3) agencies' communication about FGE, (4) recommended changes to improve FGE review and approval, (5) benefits and risks of FGE, (6) mechanisms to monitor risks and detect violations, and (7) the effectiveness of the penalties for working without FGE approval.

One or more representatives from 10 of the 14 companies were military retirees who had personally applied for FGE approval. Of these 10 companies, some interviews involved a single retired military service member who acted as the company's representative, while in other instances, multiple retired military service members represented the same employer. These representatives provided insights based on both their experiences as employers and their perspectives as applicants seeking FGE approval. For consistency and clarity throughout the report, we refer to these organizations as "companies," even though they had also personally applied for FGE approval.

We then conducted a content analysis of interview responses. An analyst reviewed all the interviews and written responses and generated a list of perspectives on the effectiveness of existing laws and regulations regarding FGE and suggestions to improve their effectiveness. A second analyst reviewed the interviews and written responses and independently developed a second list of perspectives. The two analysts compared their lists and confirmed 15 perspectives. The team then met as a group and confirmed 10 improvements.

Using the list of 15 perspectives and 10 improvements, one analyst reviewed the responses to the interview questions to categorize the perspectives and improvements described by the officials, employers, and veterans' organizations. A second analyst reviewed (i.e., traced and verified) the first analyst's assessment to ensure comments were consistently and appropriately coded and verified that the tallies were correct.

To describe trends in FGE applications, we reviewed and analyzed information for 237 FGE applications. This included 221 FGE applications from DOD and 16 from DHS. We verified the accuracy of the Year, Service, and Status data in the spreadsheet against the FGE application files provided by DOD and DHS. For Status, we categorized the applications into four categories: Approved, Disapproved, Pending or Withdrawn.

We removed 11 withdrawn applications and 13 pending applications, as these were not approved or denied within our time frame. We also removed four applications approved in 2018, three approved in 2024, and three denied in 2024, since they also fell outside of our time frame. This left 203 applications that were approved or denied from 2019 to 2023. We included applications that were submitted in 2017 or 2018 but were not approved or denied until 2019 or later, and applications that were approved by the military services in 2018 but by State in 2019 or later.

We reviewed each application and coded 10 data elements for each application in a spreadsheet. See Table 4 below for an explanation of how we coded these data elements. Another analyst independently reviewed and verified the coding. We used this dataset to analyze trends in the applications, including approval rates and the characteristics of the applicants and their intended employers.

Table 4: GAO Coding of Foreign Government Employment Applications

Data Element	Explanation of GAO Coding
Rank	We recorded the rank listed in the application and used the military rank codes to record a rank if it was not listed in the application.
Employer	We recorded the name of the employer listed in the application.
Employer Location	We recorded the location of the employer listed in the application. In some cases we recorded multiple locations (for example, a company headquarters and employee's work site may be separate locations).
Employer Type	<p>We categorized employer types using five distinct labels, based on information that applicants self-reported in their FGE questionnaire:</p> <ul style="list-style-type: none"> Foreign Gov't Direct Hire (reported as Foreign Government): FGE applications to work directly for national and subnational foreign governments. Foreign Company: FGE applications to work at independently owned (i.e., not government-owned) foreign companies. Foreign Gov't Owned: FGE applications to work at companies that are majority or wholly owned and/or funded by foreign governments. U.S. Company: FGE applications to work at companies based in the US and owned by US nationals. Other: FGE applications for short-term work not encapsulated in the other four categories. Most applications in this category are for serving as guest instructors or conference presenters, or for attending commemorative events. <p>We combined Foreign Company and Foreign Gov't Owned into one category (Foreign Company) in this report.</p>
Recipient of Services	We recorded the name of the company or country receiving services (if different from the FGE employer) as listed in the application.
Job Title	We recorded the job title in the application.
Country	We recorded the foreign country listed in the application. Occasionally, the application was for more than one country, in which case we listed all reported countries.
Geographic Region	We used the Department of State's six geographic bureaus to code the countries: African Affairs (AF), East Asian and Pacific Affairs (EAP), European and Eurasian Affairs (EUR), Near Eastern Affairs (NEA), South and Central Asian Affairs (SCA), and Western Hemisphere Affairs (WHA).
Compensation Type	<p>We used four labels to categorize compensation type:</p> <ul style="list-style-type: none"> Salary: Applications for full-time, salaried roles. Typically reported as an annual amount. Contract of Consulting Fees: FGE applications for contract-based work. Typically reported as a daily or monthly rate, or as a multi-year total contract value. Other: Applications for work compensated with stipends, travel fees, speaking fees, or for unpaid work. Not Specified: No details on the type of compensation are listed in the application.
Compensation Amount	We recorded the amount of compensation listed in the application. We aimed to report annual compensation in U.S. dollars. If that was not possible, we listed daily or monthly rates or total contract amounts. We used an online currency converter to convert compensation listed in foreign currency to U.S. dollars. If the applicant did not provide the amount of compensation, we coded the cell as Not Specified.

Source: GAO | GAO-25-107145

We categorized each application into a "job function" category. One analyst reviewed each FGE application to identify the employer and job title. Using this information, the analyst grouped the applications into 11 mutually exclusive job function categories. The analyst then coded each FGE application into one of these categories. A second analyst reviewed and confirmed the coding to ensure accuracy and agreement.

To analyze the timeline for applications approved or denied, we coded the submission date and approval or denial date for each application. Submission dates were taken from the applicant's FGE request memorandum. If there was no date on the request memorandum, we coded the date by the signature on the FGE

questionnaire. Approval or denial dates were coded from State's approval or denial letter, or the military service's approval or denial date if State's approval was not required. We used the submission and approval or denial dates to calculate the average number of days for approval or denial.² A second analyst reviewed the spreadsheet to verify the accuracy of the coding of dates and calculations.

²In our analysis, we report both the mean and median number of days taken to approve or deny an application. The mean is determined by calculating the total number of days required for all applications in the dataset and dividing this sum by the total number of applications reviewed. The median represents the midpoint value, where half of the applications took longer, and half took less time to process. By presenting both metrics, we provide a comprehensive and standardized representation of the average timeframe for processing applications.

Appendix II: Foreign Government Employment Application Data

Appendix II provides a comprehensive analysis of Foreign Government Employment (FGE) application data approved or denied in 2019 through 2023, focusing on applications submitted by retired military personnel. The data highlights trends in application by military rank and service, regional distribution, types of employers, job functions, and compensation. This information offers insights into the employment pursuits of retirees across different military services.

Most applications (161 out of 203, or 79 percent) were submitted by retired commissioned officers. The largest share came from retired O-6 grade officers (55 applications), followed by retired general officers (46 applications).¹ An additional 6 percent (13 out of 203) were submitted by retired warrant officers, and 14 percent (29 out of 203) by noncommissioned officers. See Table 5 for a complete breakdown of applications by military rank.

Table 5: Foreign Government Employment Applications by Military Rank, Calendar Years 2019–2023

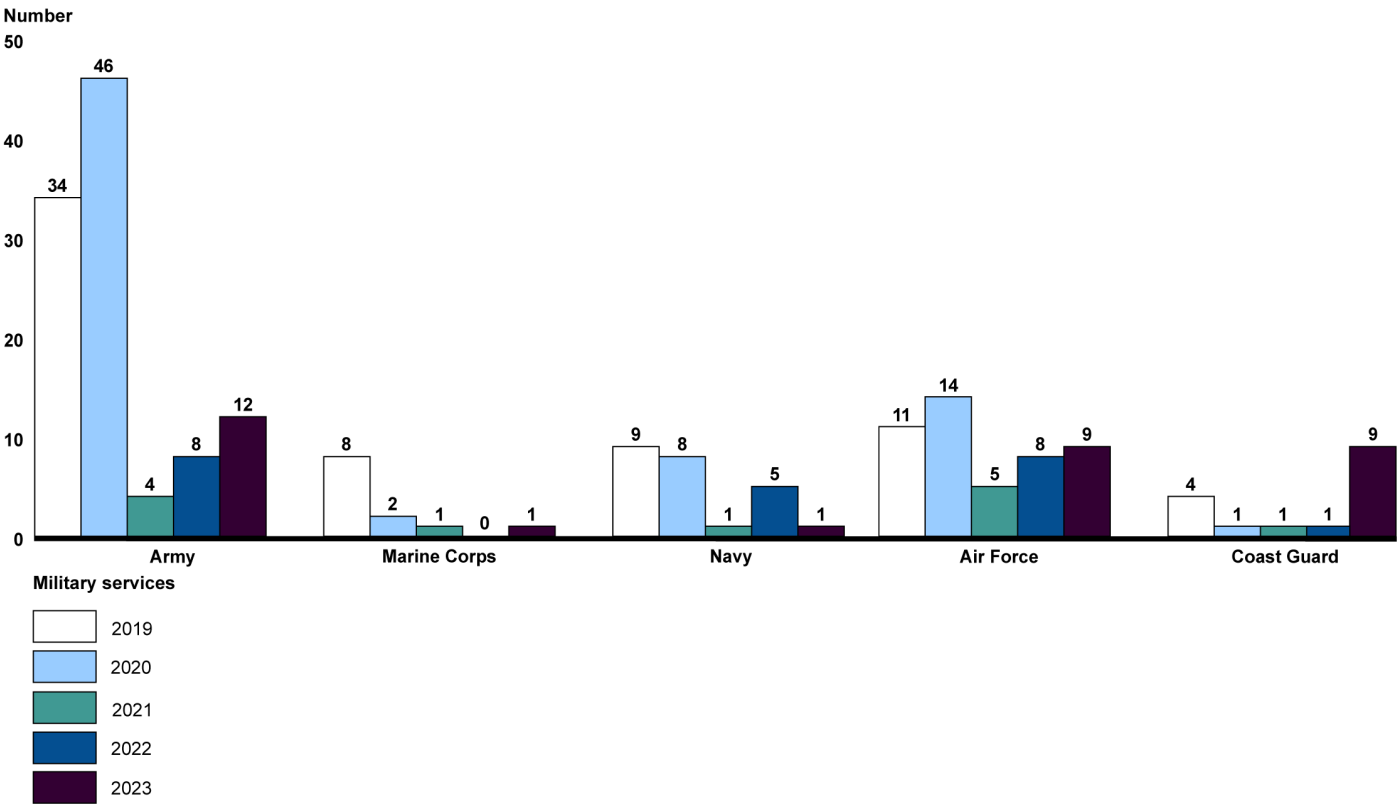
Military Rank	Total Applications	Approved Applications	Disapproved Applications
Commissioned Officers	161	153	8
O-2	1	1	0
O-3	4	4	0
O-4	10	10	0
O-5	45	39	6
O-6	55	55	0
O-7	5	5	0
O-8	11	11	0
O-9	19	17	2
O-10	11	11	0
Warrant Officers	13	13	0
W-3	2	2	0
W-4	7	7	0
W-5	4	4	0
Noncommissioned Officers	29	28	1
E-5	1	1	0
E-6	4	4	0
E-7	6	5	1
E-8	7	7	0
E-9	11	11	0

¹The O-6 grade in the U.S. armed forces is equivalent to a Colonel in the Army, Marine Corps, and Air Force or a Captain in the Navy and Coast Guard.

Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) data. | GAO-25-107145

Most military services had more FGE applications in 2019 and 2020 but experienced a drop-off in 2021 (see fig. 7). According to Army officials, the 2020 increase is believed to be due to expanded remote work opportunities during and following the COVID-19 pandemic. Additionally, Army officials noted that the rise in FGE applications in 2020 could also be attributed to an FGE employer consolidating into a foreign-owned conglomerate. This change in company ownership required previously approved military retirees to submit new FGE applications for approval, according to Army officials.

Figure 7: Foreign Government Employment Applications by Military Service, Calendar Years 2019–2023

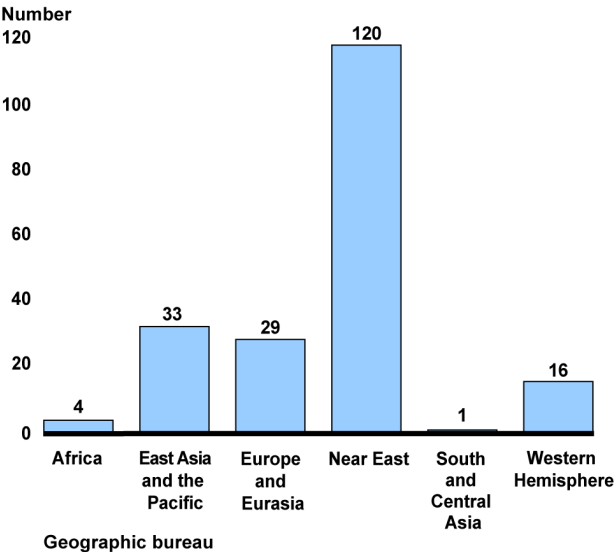


Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) data. | GAO-25-107145

Military services	Year				
	2019	2020	2021	2022	2023
Army	34	46	4	8	12
Marine Corps	8	2	1	0	1
Navy	9	8	1	5	1
Air Force	11	14	5	8	9
Coast Guard	4	1	1	1	9

Military retirees submitted FGE applications for 49 countries and territories across six regions, receiving approval for 45 countries and territories in five regions (see fig. 8).² The majority of applications were for employment in countries within the Near East, with the largest share (79) being for employment in the United Arab Emirates. Other countries with five or more applications included Australia, Barbados, Canada, Indonesia, Kuwait, Libya, Oman, Qatar, Saudi Arabia, and the United Kingdom.

Figure 8: Foreign Government Employment Applications by Geographic Region, Calendar Years 2019–2023



Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) data. | GAO-25-107145

From 2019 to 2023, military retirees received approval for employment with various types of companies.³ Our analysis of FGE applications showed that retired service members applied and were approved for the following categories of companies:

- **Foreign companies⁴:** The largest share of applications (86 of 203) was for employment at foreign companies, with most (64) being for positions at two companies based in the United Arab Emirates.
- **U.S. companies:** The next largest share (58 of 203) was for employment at U.S. companies contracting with foreign governments. Among the 10 U.S. companies we interviewed, seven were consulting firms, two provided maritime security services, and one was a law firm.
- **Foreign governments:** Thirty applications were for employment directly with foreign governments. Twelve of these were for roles at foreign departments of defense, defense forces, and other national defense or maritime security-related positions. The remaining 18 were for roles at non-defense related agencies, local governments, universities, and hospitals.

²The country total includes two overseas territories of the United Kingdom and counts the four countries of the Mano River Union separately.

³GAO coded the company location and type based on information self-reported by applicants. See appendix I for more details on our coding of FGE applications.

⁴The category Foreign Companies includes privately-owned foreign companies and companies that are wholly or partly owned or controlled by a foreign government or foreign representatives. Ownership was self-reported by the applicants in the FGE questionnaire.

- **Other employment:** The remaining 29 applications were for other types of employment, such as attending conferences or delivering guest lectures.

Military retirees sought FGE approval for various roles, with the largest share of applications being for positions as subject matter experts or training and consulting support. Approximately 33 percent of applicants requested approval for roles providing military expertise or training, while another 30 percent sought approval for roles as consultants and strategic advisors. Table 6 provides an overview of the types of jobs functions for which FGE applicants requested approval and the number of applications received.

Table 6: Foreign Government Employment (FGE) Applications by Job Function, Calendar Years 2019–2023

Job Functions	FGE Applications Submitted
Military expert or trainer	66
Advisory services	60
Teaching and research	18
Event attendee	15
Pilot	14
Executive	12
Board member	6
Other govt position	6
Political or /judicial appointments	3
Healthcare	2
Volunteer	1
Total	203

Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) data. | GAO-25-107145

GAO’s analysis of FGE applications revealed a wide range of information about salaries or remuneration for military retirees. Over half (112 of 203, or 55 percent) of the applications were for salaried positions. Among these, 25 did not specify salary amounts, and 67 of the remaining 87 were for positions with annual salaries of at least \$100,000. Fifty-two applications (26 percent) were for roles earning contract or consulting fees, typically reported on a monthly or daily basis. Most of the remaining 37 applications involved compensation for travel expenses and stipends for attending conferences and commemorative events.⁵ Table 7 provides an overview of the types of compensation received by FGE applicants.

Table 7: Foreign Government Employment Applications by Compensation Type, Calendar Years 2019–2023

Compensation Type	Total Applications	Approved Applications	Disapproved Applications
Salary	112	109	3
Contract or Consulting Fees	52	49	3
Other	37	34	3
Not Specified	2	2	0

Source: GAO analysis of Department of Defense (DOD) and U.S. Coast Guard (USCG) data. | GAO-25-107145

⁵Two applications did not specify the form of compensation.

Appendix III: Comments from the Department of Defense

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

James A Reynolds
Acting Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Mr. Reynolds,

This is the Department of Defense (DoD) response to the GAO Draft Report GAO-25-10745, "FOREIGN GOVERNMENT EMPLOYMENT: Actions Needed to Clarify and Improve Processes for Military Retirees," dated May 15, 2025 (GAO Code 10745).

Attached is DoD's response to the subject report. My point of contact is Mr. Brian Haan, who can be reached at Brian.1.Haan.civ@mail.mil and 703-697-4594.

Sincerely,

William G. Fitzhugh
Acting Principal Deputy Assistant Secretary of Defense for Manpower and Reserve Affairs

Attachments:

As stated

GAO DRAFT REPORT DATED MAY 15, 2025 GAO-25-107145 (GAO CODE 107145)
"FOREIGN GOVERNMENT EMPLOYMENT: ACTIONS NEEDED TO CLARIFY AND IMPROVE PROCESSES FOR MILITARY RETIREES"
DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, working in coordination with Coast Guard, develops department-wide FGE guidance that includes a definition of the employment types that require approval, baseline application procedures, and systems to communicate these requirements to military retirees.

DoD RESPONSE: Concur. The Department agrees with the recommendation and has already taken extensive steps to align with its intent. Over a four-month period, the Department has conducted extensive working groups, coordinated with five Services and multiple Department directorates, and developed FGE policy that meets the intent of this recommendation. Although the two departments operate under distinct approval authorities, further coordination and policy discussions with the Coast Guard will be conducted.

RECOMMENDATION 3: The Secretary of Defense should ensure the Under Secretary of Defense for Personnel and Readiness, working in coordination with Coast Guard, develops and documents shared minimum evaluation factors to consider when reviewing FGE applications, including for effect on U.S. national interests.

DoD RESPONSE: Concur. The Department agrees with the recommendation and has already taken extensive steps to align with its intent. Over a four-month period, the Department has conducted extensive working groups, coordinated with five Services and multiple Department directorates, and developed FGE policy that meets the intent of this recommendation. Although the two departments operate under distinct approval authorities, further coordination and policy discussions with the Coast Guard will be conducted.

Appendix IV: Comments from the Department of Homeland Security

Homeland Security

June 12, 2025

James A. Reynolds
Acting Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

Re: Management Response to Draft Report GAO-25-107145, "FOREIGN GOVERNMENT EMPLOYMENT: Actions Needed to Clarify and Improve Processes for Military Retirees"

Dear Mr. Reynolds,

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS, or the Department) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

DHS leadership is pleased to note GAO's recognition that the U.S. Coast Guard documented procedures for uniformed service retirees to apply for foreign government employment (FGE) in written guidance, including guidance through regulations and instructions that are publicly accessible. DHS remains committed to the Coast Guard strengthening standardized procedures and coordinating with the U.S. Department of Defense (DoD) to improve approval systems, better define employment types requiring approval for FGE, and establish shared evaluation factors for considering FGE applications.

The draft report contained five recommendations, including two for the Coast Guard, with which the Department concurs. Enclosed find our detailed response to each recommendation. DHS previously submitted technical comments addressing accuracy, contextual, and other issues under a separate cover for GAO's consideration, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

Jeffrey M. Bobich
Director, Financial Management
(On Behalf of Stacy Marcott, Acting Chief Financial Officer)

Enclosure

Enclosure: Management Response to Recommendations Contained in GAO-25-107145

GAO recommended the Secretary of Homeland Security ensure the Acting Commandant of the Coast Guard, working in coordination with the Under Secretary of Defense for Personnel and Readiness:

Recommendation 2: Defines employment types requiring FGE approval, outlines baseline FGE application procedures, and develops a system for communicating these requirements to Coast Guard retirees.

Response: Concur. The Coast Guard Office of Military Personnel Policy and Compensation will collaborate with DoD personnel, as appropriate, to define required employment types requiring FGE approval, establish baseline procedures, and create a system for communicating these requirements to Coast Guard retirees. Given competing demands on resources and priorities, the Coast Guard anticipates establishing formal timelines and interim milestones developed in coordination with the DoD by the end of October 2025, to include documenting this information in an updated Military, Civil, and Dependent Affairs Instruction, as appropriate. Estimated Completion Date (ECD): To be determined (TBD).

Recommendation 4: Develops and documents shared minimum evaluation factors to consider when reviewing FGE applications, including for effect on U.S. national interests.

Response: Concur. The Coast Guard Office of Military Personnel Policy and Compensation will collaborate with DoD personnel, as appropriate, to develop and document minimum evaluation factors for the Coast Guard to consider when reviewing FGE applications that are in alignment with factors considered by DoD. Once complete, these factors will include consideration of the effect on U.S. national interests. The Coast Guard anticipates establishing formal timelines and interim milestones developed in coordination with the DoD by the end of October 2025, to include documenting this information in an updated Military, Civil, and Dependent Affairs Instruction, as appropriate. ECD: TBD.

Appendix V: Comments from the Department of State

June 23, 2025

Kimberly Gianopoulos
Managing Director International Affairs and Trade
Government Accountability Office
441 G Street, N. W.
Washington, D.C. 20548-0001

Dear Ms. Gianopoulos:

We appreciate the opportunity to review your draft report, "FOREIGN GOVERNMENT EMPLOYMENT: Actions Needed to Clarify and Improve Processes for Military Retirees." GAO Job Code 107145.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

Jeffrey D. Johnson
Acting Comptroller for Financial, Audit, and Technology Management
Bureau of Comptroller & Global Financial Services

Enclosure:

As stated

cc: GAO - James A. Reynolds (Acting)
OIG - Norman Brown

Department of State Response to GAO Report
Foreign Government Employment: Actions Needed to Clarify and Improve Processes for Military Retirees
(GAO-25-107145, GAO Code 107145)

Thank you for the opportunity to comment on the GAO draft report "Foreign Government Employment: Actions Needed to Clarify and Improve Processes for Military Retirees." Thank you as well for engaging with the Department as the GAO prepared this report. The Department provided multiple rounds of documents and interviews covering the Department's procedures regarding Foreign Government Employment (FGE) applications. The Department acknowledges the single recommendation (Recommendation 5) resulting from this study and provides its response below.

Recommendation 5: The Secretary of State should ensure the Assistant Secretary for Political-Military Affairs develops and documents factors for evaluating FGE requests from military retirees for adverse effects on U.S. foreign relations and for effect on U.S. national interests.

Department Response: The Department agrees with recommendation five and recognizes the importance of evaluating FGE requests from military retirees for adverse effects on U.S. foreign relations and to ensure the employment is not contrary to the national interests. The Assistant Secretary for Political-Military Affairs will work closely with relevant State Department stakeholders to develop and document evaluation criteria to inform State's FGE determinations. The Department is committed to ensuring FGE requests are thoroughly evaluated to uphold our commitment to U.S. foreign policy objectives and national interests.

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

James A. Reynolds at reynoldsj@gao.gov

Staff Acknowledgments

In addition to the contact listed above, Godwin Agbara (Assistant Director), Juan Pablo Ávila-Tournut (Analyst-in-Charge), Gelsey Mehl, MJ O'Malley, Larissa Barrett, Bahareh Etemadian, Christopher Keblitis, and Pamela Davidson made key contributions to this report.

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