

Why GAO Did This Study

The Coast Guard has over \$27 billion in acquisitions with hundreds of millions of dollars going to major contractors each year. High-ranking officials leave the Coast Guard each year and may go to work for these contractors. To avoid conflicts of interest and promote public trust, these officials must comply with restrictions on their post-government employment activities. These restrictions do not necessarily prohibit them from working for a contractor. In response to the Coast Guard Authorization Act of 2010, which directed GAO to examine Coast Guard contractor compensation of former high-ranking officials, GAO identified (1) the extent such former officials were compensated by Coast Guard contractors and assigned to programs for which they previously had official responsibility, and (2) Coast Guard and contractor practices to help ensure compliance with post-government employment restrictions. GAO analyzed Coast Guard, contractor, and Internal Revenue Service data on former officials, and interviewed officials from the Coast Guard and 11 major contractors representing over 40 percent of Coast Guard obligations in calendar year 2010 to identify practices used regarding these restrictions.

What GAO Recommends

GAO makes one recommendation that the Commandant of the Coast Guard require its ethics officials to provide guidance on post-government employment restrictions to all high-ranking officials, at a minimum, as the officials enter into those senior positions and as they transition out of the Coast Guard. DHS concurred with GAO's recommendation.

View [GAO-12-174](#). For more information, contact John Hutton at (202) 512-4841 or huttonj@gao.gov.

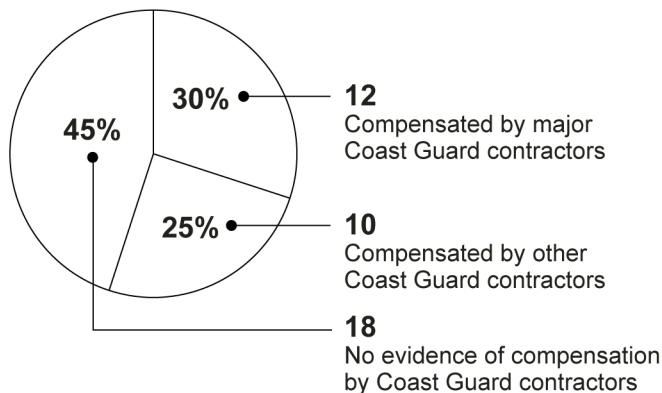
COAST GUARD

Communication of Post-Government Employment Restrictions Can Be Strengthened

What GAO Found

Of the 40 former high-ranking Coast Guard officials (Admirals or Senior Executive Service members) who separated from the Coast Guard from 2005 through 2009, 22 have been compensated by Coast Guard contractors. Twelve of these officials were compensated in 2010 by major Coast Guard contractors—contractors that received at least \$10 million in Coast Guard contracts in 2010. One of the 12 officials was assigned by a major Coast Guard contractor to work on a program for which the individual previously had official responsibility. According to a Coast Guard ethics opinion, this individual was permitted to work for the contractor. Coast Guard and contractor documentation does not specifically indicate whether any of the other 11 officials were assigned to work on programs for which they previously had official responsibility. Based on the information provided on official roles and responsibilities, we did not find any evidence these former officials represented themselves to the government in violation of post-government employment restrictions.

Compensation of 40 Former High-Ranking Coast Guard Officials by Coast Guard Contractors from 2005 through 2010



Source: GAO analysis of Coast Guard and IRS data.

The Coast Guard and contractors employ a variety of practices to help ensure compliance with post-government employment restrictions. The Coast Guard provides training, counseling, and ethics opinions to inform high-ranking officials of post-government employment restrictions. However, the practices are not designed to ensure these officials are fully aware of the restrictions before negotiating with potential employers or separating from the government. Training on the topic is only mandatory for new employees and both counseling and ethics opinions are optional. Most major Coast Guard contractors GAO interviewed described a variety of voluntary practices in use—including guidance on restrictions, controls during the hiring process, training, and monitoring mechanisms—to help ensure compliance with post-government employment restrictions.