

April 1987

DOD REVOLVING DOOR

Post-DOD Employment May Raise Concerns



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**National Security and
International Affairs Division****B-218976**

April 16, 1987

The Honorable William V. Roth, Jr.
Ranking Minority Member
Committee on Governmental Affairs
United States Senate

The Honorable Gerry Sikorski
Chairman, Subcommittee on Human Resources
Committee on Post Office and Civil Service
United States House of Representatives

This report responds to your request that we determine how often former Department of Defense (DOD) personnel work for defense contractors on the same projects they worked on while with DOD. This report expands on our July 1986 interim report, DOD Revolving Door: Relationships Between Work at DOD and Post-DOD Employment (GAO/NSIAD-86-180BR), which was a brief look at selected data obtained from our questionnaire survey.

We asked a sample of former DOD personnel who were working for defense contractors about (1) the extent to which their post-DOD work involved the same project or program they had worked on while at DOD, (2) their working relationships with, or responsibilities for, contractors while they were with DOD, (3) their business contacts with DOD personnel, (4) their initial salary with a defense contractor compared with their final DOD salary, and (5) their opinion about a proposed post-DOD employment restriction.

We guaranteed anonymity to respondents to encourage valid responses. However, since the respondents were self-reporting on a sensitive issue dealing with potential post-employment conflicts of interest, any bias in the data is likely to be the result of their reporting less post-DOD employment on the same project than actually existed.

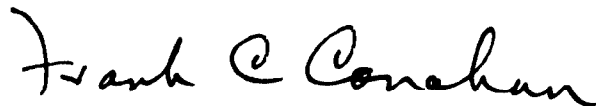
None of the information we developed was designed to identify specific statutory or administrative improprieties. However, we believe that this information shows that some individuals leaving DOD and going to work for defense contractors may give the appearance of (1) not having acted in the best interests of the government because they viewed a defense contractor as a potential employer; (2) taking advantage of insider contacts to the detriment of the government; or (3) influencing contract decisions to obtain later employment. We estimate that about 26 percent

of approximately 5,100 former high- and mid-level DOD personnel had responsibilities while at DOD for defense contractors for whom they later worked. Further, we estimate that about 21 percent subsequently worked on the same system, project, or program for a defense contractor that they had worked on while with DOD. In addition, we estimate that about 7 percent were responsible for DOD contracts that later supported their post-DOD employment. We estimate that about 32 percent of the 5,100 have been in one or more of these three situations.

Appendixes I and II include generally the same information presented in our interim report—a description of our objective, scope, and methodology and a demographic description of the study universe. Appendix III provides details on our projections, and appendix IV contains a copy of the survey questionnaire.

We requested and received official DOD comments on a draft of this report. DOD agreed with our findings and their final comments are included in appendix V.

As agreed with your office, unless you publicly announce its contents earlier, we do not plan further distribution until 15 days from the date of this report. At that time, we will send copies to the Chairmen of the House and Senate Armed Services Committees, the House Committee on Government Operations, and other interested congressional committees; the Secretaries of Defense, the Army, the Navy, and the Air Force; the Directors of the Office of Management and Budget and the Office of Government Ethics; and other interested parties.



Frank C. Conahan
Assistant Comptroller General

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Abbreviations

DOD	Department of Defense
SES	Senior Executive Service

Objective, Scope, and Methodology

Our objective was to determine how often former DOD personnel were employed by defense contractors on the same project or program that they had worked on while with DOD. In addition, we obtained information on

- the extent that the DOD responsibilities of former DOD personnel could have affected defense contractors,
- the extent of work-related communication between former DOD personnel and DOD,
- the salary former DOD personnel received from defense contractors compared with their final DOD salary, and
- the opinions of former DOD personnel on potential employment prohibitions.

We limited our study to high- and mid-level personnel who left DOD during fiscal years 1983 and 1984. High-level personnel include civilians in the Senior Executive Service (SES) or executive-level appointees and military general grade officers (O-7 and above). Mid-level personnel include civilians from grade GS-13 through grade GS-15 and military personnel from major (O-4) through colonel (O-6). We also limited our study to former DOD personnel who were thought to be working for defense contractors because each held an industrial security clearance.

By examining Defense Manpower Data Center computer records on separations and retirements, we identified 30,126 high- and mid-level personnel who left DOD during fiscal years 1983 and 1984. Of this group, 6,058 held industrial security clearances and could be classified in the following four subgroups:

- 226 high-level military and civilian personnel,
- 4,268 mid-level military personnel,
- 723 mid-level civilian retired personnel, and
- 841 mid-level civilian separated personnel.

We sent questionnaires to a stratified random sample of each of the subgroups:

- 226 (all) of the high-level personnel,
- 222 of the mid-level military personnel,
- 200 of the mid-level civilian retired personnel, and
- 148 of the mid-level civilian separated personnel.

Of the total 796 people in our sample, we found that 39 were not eligible for our study. Consequently, the maximum number of eligible responses was 757. We received 658 completed questionnaires, a response rate of 87 percent. We had planned to analyze the non-respondents and project how they might have answered the questionnaire. However, our information about non-respondents was insufficient to make valid projections. We believe that the high response rate (87 percent overall and at least 75 percent for each sample stratum) provides adequate projections for the largest part of our study universe.

The following limitations on the data must be recognized:

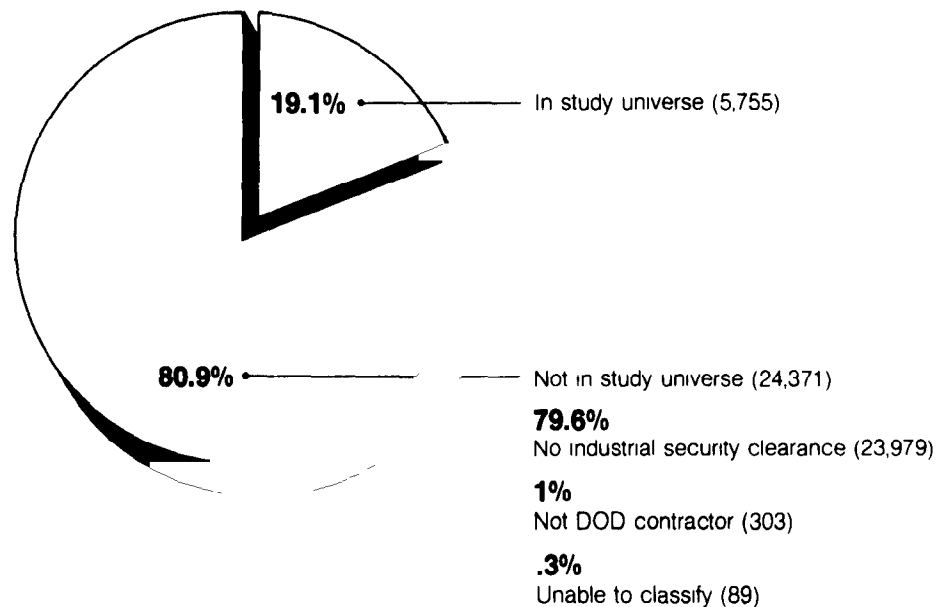
- The data on defense-contractor relationships are the respondents' own, unverifiable, self-reported perceptions. An independent, objective observer might describe the relationships differently. Some pretest respondents told us that they would expect at least some underreporting of the extent of DOD-contractor relationships.
- Projections are based only on the answers of the people who responded. No projections are made for the 13 percent of the sample who did not return a questionnaire. In addition, up to 3 percent who did respond failed to answer some questions. As a result, the projections for each question are made to slightly different subgroups.
- The estimated percentages and numbers of personnel provided in the tables in this report are approximate. Where estimates are based on the entire sample, we are 95-percent confident that they are within ± 6 percent of the actual values for our universe. Estimates for the entire mid-level sample are also within ± 6 percent of the actual values. For the smaller subgroups of the sample, estimates are less precise. For example, estimates for the mid-level civilian separations subgroup are accurate within ± 10 percent. For the other sample strata, estimates are accurate within ± 8 percent. Estimates which compare the answers of subgroups are also less precise. For example, comparisons of high-level with mid-level personnel are accurate within ± 10 percent. For very small or very large estimated percentages, the confidence intervals are smaller. For example, for the entire sample we are 95-percent confident that an estimate of 10 percent would be accurate to ± 4 percent. A projection of 5 percent would be accurate to ± 3 percent.
- This report provides no information about the propriety of the relationships or the impact of any relationship on DOD's procurement process.

Our work was done in accordance with generally accepted government auditing standards.

Definition of the Study Universe

Based on responses to our questionnaire, we estimate that 5,755 former DOD high- and mid-level personnel (19.1 percent of the 30,126 who left DOD in fiscal years 1983 and 1984) had actually worked for a defense contractor. These 5,755 constitute our study universe. However, we could project to only about 5,100 because of those who did not respond.

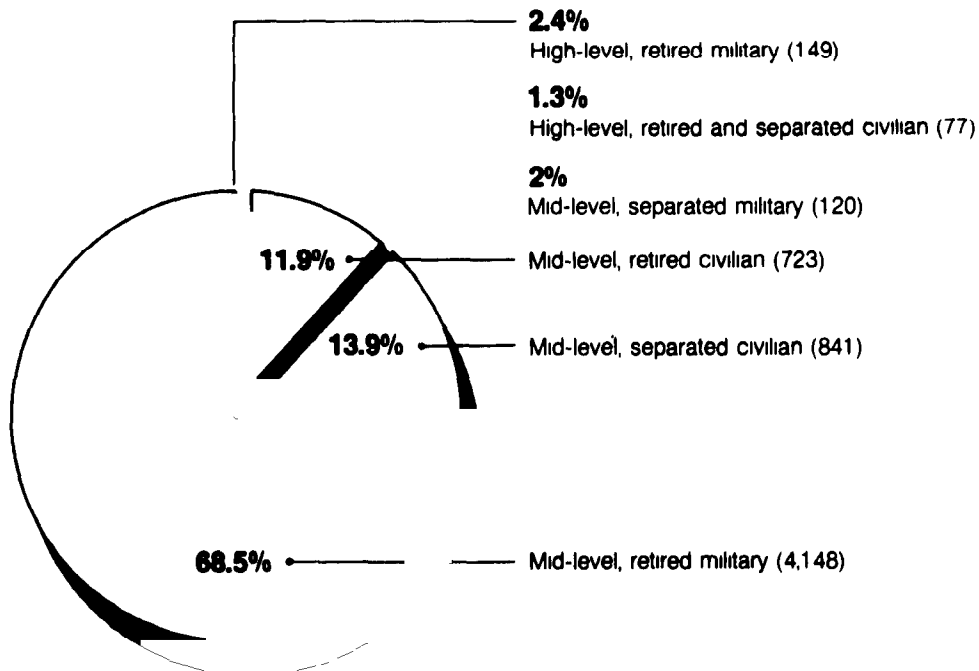
Figure II.1: Former Mid-Level and Above Personnel Who Left DOD in Fiscal Years 1983 and 1984



As figure II.1 shows, of the 24,371 (80.9 percent) not in the study universe,

- 23,979 (79.6 percent) had no industrial security clearance;
- 89 (0.3 percent) had a clearance but—because of their pay plan (for example, “expert,” “advisory committee,” or “canal zone employee”)—could not be readily identified as high- or mid-level; and
- 303 (1 percent) had clearances and could be classified by level but, based on the results of the eligibility questions (questions 1 and 2), we estimated that they did not work for a defense contractor.

Figure II.2: DOD Personnel Who Left DOD in Fiscal Years 1983 and 1984 and Subsequently Held an Industrial Security Clearance



Note This figure includes the 5,755 personnel in the study universe that could be readily classified as high-level or mid-level, as well as 303 personnel holding security clearances identified in fig II.1 as not working for defense contractors

As figure II.2 shows, of the 5,755 former DOD personnel included in our study group and the 303 personnel we project were not working for defense contractors, 4,417 were military and 1,641 were civilian. Of the military group,

- 149 were high-level retired (O-7 through O-10),
- 4,148 were mid-level retired (O-4 through O-6), and
- 120 were mid-level separated (O-4 through O-6).

Of the civilian group,

- 77 were high-level retired and separated (SES and executive schedule),
- 723 were mid-level retired (GS-13 through GS-15), and
- 841 were mid-level separated (GS-13 through GS-15).

Post-DOD Employment Activities

The Congress has been concerned about the movement of government employees into the private sector and the movement of private-sector employees into government—the so-called “revolving door” phenomenon. The Congress has been especially concerned about DOD officers and high-level civilian employees taking jobs with defense contractors, fearing that this situation could lead to conflicts of interest. Also, the movement of DOD employees into jobs with defense contractors can affect public confidence in the government by creating the following perceptions:

- DOD personnel who anticipate future employment with a defense contractor might be perceived as using their position to gain favor with the contractor at the expense of the government.
- Former DOD personnel who work for a defense contractor might be perceived as using their contacts with former colleagues at DOD to the benefit of the defense contractor and to the detriment of the public.

Conflict-Of-Interest Laws

Section 207 of Title 18 United States Code—the post-employment conflict-of-interest statute—does not prevent government personnel from accepting employment with firms with whom they dealt on behalf of the government but restricts certain representational activity in the following way:

- Former government personnel may never make any oral or written communication as another person’s representative to the government on a case, contractual matter, or other particular matter involving specific parties in which they participated “personally and substantially” while in government.
- For 2 years after leaving government service, former personnel may not make any oral or written communication as another person’s representative to the government on any particular matter involving specific parties which was actually pending under their “official responsibility” in their last year of service.
- For 2 years after leaving government employment, some senior level officers and employees may not assist in the representation of another person by personal presence at an appearance before the government on any particular matter involving specific parties in which they personally and substantially participated while in government.
- For 1 year after leaving federal service, some senior level officers and employees may not represent anyone other than the United States by making any oral or written communication before their former agency

on any particular matter pending before, or of substantial interest to, the agency.

Section 208(a) of Title 18 United States Code requires government personnel to refrain from personal and substantial participation as government personnel through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any particular matter affecting their financial interests or those of their spouses, minor children, partners, or certain organizations including those with which they are negotiating for or have an arrangement concerning prospective employment.

In the fiscal year 1986 Defense Authorization Act, the Congress required DOD personnel to report contacts with a contractor with whom they dealt regarding employment and to disqualify themselves from any procurement action until any future employment opportunities had been rejected. In the fiscal year 1987 Defense Authorization Act, the Congress precluded certain DOD procurement officials from accepting compensation for a 2-year period from certain defense contractors they had dealt with.

Results of Survey Questionnaire

Our work focused on post-employment activities of some former DOD personnel and on relating that activity to situations that could give the appearance that former personnel allowed private interests to affect the performance of government responsibilities before leaving government or took advantage of government connections after leaving government service. We are unable to identify what effect the fiscal year 1986 and 1987 acts referred to above might have had on our study universe.

Characteristics of Former DOD Personnel Employed by Defense Contractors

Of the former DOD personnel who went to work for a defense contractor, we estimate that

- 85 percent were retirees;
- 70 percent were retired mid-level military personnel;
- 75 percent were military and about half of the civilians had prior military service;
- 70 percent of the reported employment situations were with contractors whose business was primarily with DOD;
- 89 percent were employees, 6 percent were consultants, and 5 percent had both types of work experience;

- at least 89 percent worked for a company having more than 100 employees, and 62 percent with companies employing 1,000 or more employees;
- 94 percent used their technical military knowledge to some extent while working for a defense contractor; and
- 55 percent worked on the same general types of matters for a defense contractor that they worked on during their last 2 years at DOD.

Personnel in the study universe were generally working in positions that linked DOD and its contractors. We estimate that, while at DOD, about 73 percent of the study universe could have affected a defense contractor's work or the evaluation of that work. For example, these persons performed procurement policy, program management, contract administration, cost and technical analysis, and source selection functions. Further, we estimate that about 82 percent had business communications with DOD officials after leaving DOD.

Determination of the "Potentially at Risk" Group

The questionnaire used in this study was designed to identify relationships between work at DOD and subsequent work for defense contractors. In the questionnaire we asked

- about the extent to which the responsibilities of former DOD personnel could have affected the defense contractors for whom they later worked,
- whether former DOD personnel worked on the same weapons system, project, or program that they had worked on while at DOD, and
- whether former DOD personnel had responsibility for contracts which supported their subsequent work for a defense contractor.

We considered the individuals that reported being in any one of the three situations as "potentially at risk." The public could perceive that individuals employed by DOD may not have acted in the best interest of the government because they viewed a defense contractor as a potential employer. Further, the public may perceive that former DOD personnel are taking advantage of inside contacts to the detriment of the government or that they influenced contract decisions to obtain subsequent employment.

Based on our analysis of responses of those who answered at least one of these questions affirmatively, we estimate that about 32 percent (1,661 persons) of the approximately 5,100 were "potentially at risk." We are 95-percent confident that the estimate is accurate within ± 6 percent (1,397 to 1,925 persons).

Effect of DOD Responsibilities on Subsequent Employers

To determine what responsibilities former DOD personnel had which could have affected their new employer, we asked respondents to categorize their prior DOD responsibilities as “procurement policy,” “program management,” “procurement or contract administration,” “cost and technical analysis or other advisory services,” “source selection,” and “other responsibilities.” The most frequently reported responsibilities were “cost and technical analysis” and “program management.”

The respondents also assessed if their DOD responsibility had a “minimal,” “moderate,” “substantial,” or “determining” effect on contractors. We defined “determining” responsibility as having the power to determine whether a contractor received a contract or whether the overall evaluation of the contractor’s work was favorable or unfavorable. We classified each respondent according to the highest degree of responsibility reported for any of the categories. Responses were tabulated according to the highest degree of reported responsibility with up to two contractors—that is, the first defense contractor they worked for, their current defense contractor, or both.

Table III.1 summarizes respondents’ answers to questions 29 and 38 on how their activities, decisions, or evaluations during their last 2 years at DOD had potentially affected the work of their future employers. About three quarters thought that they had had no effect. On the other hand, 9 percent had a “substantial” or “determining” effect, and 17 percent had a “moderate” or “minimal” effect, for a total of 26 percent.

Table III.1: Respondents’ Perceptions of the Extent That Their Former DOD Responsibilities Affected Their Subsequent Employers

Effect on subsequent employer	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
Determining	10	6	184	4	194	4
Substantial	12	7	233	5	245	5
Total	22	13	417	9	439	9
Moderate	13	7	394	8	407	8
Minimal	33	19	464	9	497	9
Total	46	26	858	17	904	17
None	105	61	3,679	74	3,784	74
Total	173	100	4,954	100	5,127	100

Notes: This table is based on responses to questions 29 and 38.

The estimates in this table are subject to sampling errors and incomplete responses as noted in appendix I.

Post-DOD Work on the Same Project

In questions 24 and 33, we asked the people in our sample if they had worked on the same weapons system, project, or program after leaving DOD and, if so, about how much of their time was spent on that project during their last 2 years with DOD. In questions 24b and 33b, we asked the people in our sample about the extent of time they spent on the same project while working for defense contractors. The respondents could report working on the same project during employment with up to two contractors. To project the responses, we tabulated the highest response for either work experience to classify individuals by how much time they spent on the same project.

We estimate that about 79 percent did not work on the same project that they worked on at DOD and that about 21 percent did. Table III.2 shows that about 10 percent—about half of the 21 percent—worked 60 percent or more of their time on the same project while at DOD. Similarly, table III.3 shows that about 13 percent worked 60 percent or more of their time on the same project for a defense contractor.

Table III.2: Respondents' Reported Time Spent Working on the Same Project—Percent of Time Spent at DOD

Percent time spent	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
90 to 100	3	2	335	7	338	7
60 to 89	2	1	154	3	156	3
Total	5	3	489	10	494	10
40 to 59	1	>1	70	1	71	1
10 to 39	8	5	145	3	153	3
Less than 10	24	14	338	7	362	7
Total	33	19	553	11	586	11
No time on the same project	136	78	3,816	79	3,952	79
Total	174	100	4,858	100	5,032	100

Notes This table is based on responses to questions 24a and 33a

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

**Appendix III
Post-DOD Employment Activities**

Table III.3: Respondents' Reported Time Spent Working on the Same Project—Percent of Time Spent With Defense Contractor

Percent time spent	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
90 to 100	3	2	527	11	530	11
60 to 89	9	5	91	2	100	2
Total	12	7	618	13	630	13
40 to 59	3	2	93	2	96	2
10 to 39	7	4	121	2	128	3
Less than 10	16	9	210	4	226	4
Total	26	15	424	8	450	9
No time on the same project	136	78	3,816	79	3,952	79
Total	174	100	4,858	100	5,032	100

Notes This table is based on responses to questions 24b and 33b

Percentages in total column do not add to 100 due to rounding

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

Responsibility for a Contract Supporting Future Work

Based on respondents' answers to questions 27 and 36 as to whether, during their last 2 years at DOD, they had any responsibility for a contract that supported their subsequent work with a defense contractor, we estimate that 7 percent had such responsibility, while 93 percent did not. (See table III.4.)

Table III.4: Respondents' Responsibility at DOD for a Contract Supporting Their Post-DOD Work

Responsibility	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
Some	20	11	339	7	359	7
None	157	89	4,598	93	4,755	93
Total	177	100	4,937	100	5,114	100

Notes This table is based on responses to questions 27 and 36

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

Business Communication With DOD Officials After Leaving DOD

To determine the degree of interaction between former DOD personnel working for defense contractors and DOD officials, we asked our sample how frequently they have had work-related communications with any DOD officials at any level. They could respond within a range from "daily" to "less often than once a month." They could report such communication during employment with up to two contractors. Our projections are based on the highest response reported for either work experience

We project that 46 percent had daily or weekly work-related communication, and 36 percent had less frequent contact with DOD officials—for a total of 82 percent. (See table III.5.)

Table III.5: Respondents' Frequency of Work-Related Communication With Any DOD Officials While Employed by a Defense Contractor

Frequency of work-related communication	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
Daily	5	3	1,092	22	1,097	21
Weekly	18	10	1,242	25	1,260	25
Total	23	13	2,334	47	2,357	46
Monthly	40	23	668	13	708	14
Less than monthly	51	29	1,084	22	1,135	22
Total	91	52	1,752	35	1,843	36
None	62	35	862	18	924	18
Total	176	100	4,948	100	5,124	100

Notes This table is based on responses to questions 25, 26, 34, and 35

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

Fewer persons are projected to have had work-related communications with former DOD colleagues. Table III.6 shows that about 15 percent are estimated to have had daily or weekly communication with former colleagues, while 30 percent had such contact less frequently.

Table III.6: Respondents' Frequency of Work-Related Communication With Former DOD Colleagues While Employed by a Defense Contractor

Frequency of work-related communication	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
Daily	0	0	287	6	287	6
Weekly	9	5	443	9	452	9
Total	9	5	730	15	739	15
Monthly	21	12	422	9	443	9
Less than monthly	48	27	1,041	21	1,089	21
Total	69	39	1,463	30	1,532	30
None	98	56	2,744	55	2,842	55
Total	176	100	4,937	100	5,113	100

Notes This table is based on responses to questions 25 and 34

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

Relationship of “Potentially at Risk” Group to the Criminal Conflict-Of-Interest Statutes

To determine the relationship of the activities of the “potentially at risk” group to the conflict-of-interest statutes, we analyzed information on business communication and length of time between leaving DOD and starting employment with a defense contractor.

The primary focus of both 18 U.S.C. 207 and 208 is on individuals who participate in a matter while employed by the government. Under 18 U.S.C. 207, those individuals are subject to restrictions on representing another party back to the government on that same particular matter involving specific parties. Under 18 U.S.C. 208, persons who seek outside employment in anticipation of leaving the government must disqualify themselves from participating in particular matters that affect an organization with whom they are seeking employment.

Our information was not sufficient to support a determination that a violation of either statute had occurred. However, these analyses further refine the “potentially at risk” group by isolating those individuals more likely to have crossed the boundaries set by these laws.

Potential for Representing Defense Contractors

To assess the potential for representational activities prohibited by 18 U.S.C. 207, we isolated those persons within the “potentially at risk” group who had business communication with DOD officials. We assumed business communication to be a requisite for representational activity. Persons in the “potentially at risk” category who communicate with DOD officials represent a group that should have the greatest potential for having crossed the boundary set by this law. We estimate that about 88 percent of the “potentially at risk” group—or 1,465 people—had business communications with DOD officials. (We are 95-percent confident that the number is between 1,207 and 1,723.) However, we do not know whether those individuals actually represented their employer in such communications or whether those communications were in connection with the same particular matter involving the same specific parties that they dealt with as government officials

Potential for Seeking Employment With Defense Contractors While Still at DOD

If they seek new employment before leaving federal service, government employees must exercise particular caution. Section 208 of Title 18 United States Code imposes criminal sanctions on federal officers and employees if they take an official action affecting an organization with whom they are negotiating for employment unless their responsibilities do not affect the potential employer or unless they disqualify themselves from activities affecting the potential employer. About 72 percent

of our “potentially at risk” group began employment before or during the month after leaving DOD. In addition, about 69 percent of the “potentially at risk” group had contact with their future employer as a result of their official government responsibilities during their last 2 years at DOD. (Only 15 percent of the “not at risk” group had such contact.)

This data raises a question as to whether some of the “potentially at risk” individuals might have taken actions affecting the organization with whom they were negotiating for employment before leaving government service. However, we do not know how many in this group actually negotiated for employment before leaving DOD or how many took appropriate steps to disqualify themselves from any responsibilities affecting their subsequent employer.

**DOD Salary Compared With
Defense-Contractor Salary**

To determine if people leave DOD for higher-paying jobs with defense contractors, we asked our sample to compare their final DOD salaries (base pay plus allowances) with their initial salaries as defense-contractor employees (question 39). Based on respondents’ answers, we estimate that 65 percent of former DOD personnel earned less when they went to work for a defense contractor. Further, 73 percent thought that, even when all benefits were included (question 40), they received less or about equal financial compensation when they went to work for a defense contractor.

Table I 1.7: Comparison of Final DOD Salary With Initial Post-DOD Salary

Defense contractor salary	High-level		Mid-level		Total	
	Number	Percent	Number	Percent	Number	Percent
Less than DOD pay	83	48	3,256	66	3,339	65
More than DOD pay						
\$0-5,000 more	24	14	1,012	20	1,036	20
\$5-20,000 more	32	18	626	13	658	13
\$20-50,000 more	18	10	60	1	78	2
\$50,000+ more	18	10	0	0	18	>1
Total	175	100	4,954	100	5,129	100

Notes This table is based on responses to question 39

The estimates in this table are subject to sampling errors and incomplete responses as noted in app I

Only 18 people—all high-level—reported earning \$50,000 or more with a defense contractor above their DOD earnings. One respondent expressed concern about this comparison, noting that comparing executive-level pre-DOD pay with post-DOD pay would be more appropriate

because most non-career appointees take a pay cut to work for DOD. (This respondent also indicated that he took a \$50,000 cut in pay to go to work for DOD.) Consequently, a \$50,000 increase over DOD pay may only reinstate past earning power and may not necessarily indicate that “non-career appointees” are lured into defense industries for lucrative pay. We know that 6 of the 18 people were civilians, but because the questionnaire was anonymous we could not determine how many of them were non-career appointees.

It is important to note that a reduced salary does not necessarily mean reduced income for retirees (about 85 percent of our study group). One respondent commented,

“Even though I receive less pay from my employer than I did from DOD, the net gain of my civil service annuity and my civilian salary is \$20,000 a year more than I got in the Pentagon. Most of us who retire from DOD .accept less pay, but earn more when our civil service annuity is added to our salary ”

**Opinions on Prohibiting
Certain Post-DOD
Employment**

We asked several questions about the effect of former DOD personnel’s working for defense contractors and about proposed legislation prohibiting certain post-DOD employment. The majority of respondents (about 96 percent) considered the movement of DOD personnel into the defense industry as advantageous for defense contractors, and about 90 percent saw it as advantageous for DOD. (See table III.8.)

**Table III.8: Respondents’ Opinions
About the Movement of Former DOD
Personnel into the Defense Industry**

Opinions about personnel movement	For DOD		For defense contractors	
	Number	Percent	Number	Percent
Advantageous	4,616	90	4,921	96
Disadvantageous	121	3	7	>1
About equally advantageous and disadvantageous	374	7	183	4
Total	5,111	100	5,111	100

Notes This table is based on responses to question 3 (DOD) and question 4 (defense contractors)

The estimates in this table are subject to sampling errors and incomplete responses as noted in app 1

About 68 percent of our study group responded that banning certain post-DOD employment was disadvantageous to defense contractors. About 43 percent thought that it would be disadvantageous for DOD, while 36 percent thought that it would be advantageous for DOD. An estimated 63 percent indicated that they were opposed to legislation banning certain types of post-DOD employment. Though some respondents supported such legislation (about 35 percent), most respondents

strongly opposed it. About 46 percent were “strongly opposed,” while only about 13 percent “strongly favored” such legislation. We estimate that about 66 percent viewed employment restrictions as being unfair to former DOD personnel. Of these, 87 percent thought that restrictions would prevent people from using valuable skills, and 78 percent thought that the restrictions would reduce employment opportunities.

Questionnaire "Post DOD-Employment Survey"



U.S. GENERAL ACCOUNTING OFFICE
POST-DOD EMPLOYMENT SURVEY

INTRODUCTION

The U.S. General Accounting Office (GAO), an agency of the Congress, has been asked by the Senate Committee on Governmental Affairs and the Investigations Subcommittee of the House Committee on Post Office and Civil Service to collect information about the employment of former DOD (Department of Defense) personnel. You have been selected as part of a sample of middle and high level former DOD employees who left the Department in the 1982 to 1984 period and who subsequently may have done defense-related work or worked with defense contractors.

Congress is considering legislation which could affect the employment of former DOD employees in defense related industries. The proposed legislation would not be retroactive and would thus not directly affect you. At the present time Congress needs to consider the opinions of former DOD employees and needs to obtain facts about post-DOD employment. Filling in this questionnaire will help to make Congress aware of the post-DOD employment situation faced by people such as yourself.

This questionnaire is anonymous. There is nothing on this form to identify you. Please mail back your completed survey in the enclosed addressed envelope as soon as possible. Return the post card separately after completing the questionnaire. We need the cards returned so that we can remind those who do not answer. There is no way to link the number on the post card with your returned survey.

Please return this questionnaire within one week. This rapid response is needed in order to make the survey results available to Congress as it considers legislation in the 1986 session. A prompt response will also save the expense of costly follow-up mailings.

Please disregard the numbers printed in parentheses. They are only used to assist in data processing. If you have any questions, please make a collect call to Jack Perrigo or Tom Denomme (202) 275-3980 at the GAO office in Washington. In the event the return envelope is misplaced, the return address is:

Attention: Jack Perrigo
U.S. General Accounting Office
Room 4102
441 G Street, N.W.
Washington, D.C. 20548

ELIGIBILITY FOR SURVEY

1. Are you a former employee (either military or ^(a) civilian) of DOD? (Check only one box.) ^(b)
- 1 Yes (CONTINUE TO QUESTION 2)
- 2 Never been employed by DOD
- 3 Still an employee of DOD (other than in the reserves)

If never employee or still DOD employee please stop here and return questionnaire. Thank you for your cooperation.

2. Since leaving DOD have you ever been an employee of a commercial firm or other organization with DOD contracts, a consultant or subcontractor to such an organization or a consultant to DOD? ^(c)
- 1 Yes (CONTINUE TO NEXT PAGE)
- 2 No Neither a consultant to DOD nor an employee, consultant, or subcontractor to any organization which has a contract with DOD

If you answered "No" please stop here and return the questionnaire. Thank you for your assistance.

Appendix IV
Questionnaire "Post DOD-
Employment Survey"

POST-DOD EMPLOYMENT ISSUES

There has been considerable discussion about the possible benefits and the possible problems which may occur because some DOD employees later go to work with defense contractors. Consider the advantages and disadvantages for DOD.

3. In your opinion how advantageous or disadvantageous for DOD is the movement of former DOD employees into the defense industry? (Check only one) ⁽ⁱⁱ⁾

- 1. Extremely advantageous
- 2. Moderately advantageous
- 3. Slightly advantageous
- 4. About equally advantageous and disadvantageous
- 5. Slightly disadvantageous
- 6. Moderately disadvantageous
- 7. Extremely disadvantageous

Now consider the advantages and disadvantages for defense contractors.

4. In your opinion how advantageous or disadvantageous for defense contractors is the movement of former DOD employees into the defense industry? (Check only one) ⁽ⁱⁱ⁾

- 1. Extremely advantageous
- 2. Moderately advantageous
- 3. Slightly advantageous
- 4. About equally advantageous and disadvantageous
- 5. Slightly disadvantageous
- 6. Moderately disadvantageous
- 7. Extremely disadvantageous

POST-DOD EMPLOYMENT REGULATIONS

Legislation is being considered which would change the regulations applying to post-DOD employment. Some new legislation would prohibit any employment with specified contractors. This differs from the present legislation which does not prohibit employment but only prohibits representing a contractor at DOD in certain circumstances.

Proposed legislation would prohibit former DOD personnel from accepting any compensation from a government contractor with which the individual had "significant responsibilities for a procurement function" during the last two years of DOD service. This prohibition would be in effect for two years after leaving DOD.

Two key definitions are:

Contractor: any parent, subsidiary, or affiliate of the contractor.

Procurement function, negotiating, awarding, administering, approving contract changes, costs analysis, quality assurance, operation and development testing, technical advise or recommendation, approval of payment, contractor selection, budgeting, auditing under the contract, or management of the procurement program

5. In your opinion how advantageous or disadvantageous would such legislation be for DOD? (Check only one) ⁽ⁱⁱⁱ⁾

- 1. Extremely advantageous
- 2. Moderately advantageous
- 3. Slightly advantageous
- 4. About equally advantageous and disadvantageous
- 5. Slightly disadvantageous
- 6. Moderately disadvantageous
- 7. Extremely disadvantageous

6. How advantageous or disadvantageous would such legislation be for defense contractors? (Check only one) ⁽ⁱⁱⁱ⁾

- 1. Extremely advantageous
- 2. Moderately advantageous
- 3. Slightly advantageous
- 4. About equally advantageous and disadvantageous
- 5. Slightly disadvantageous
- 6. Moderately disadvantageous
- 7. Extremely disadvantageous

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

7 In your opinion would the restrictions referred to in the previous question be fair or unfair to former DOD personnel? *(Check only one)* (12)

- 1 Fair 2 Unfair 3. Cannot judge from information given here
(GO TO QUESTION 8) (ANSWER QUESTION 7a) (GO TO QUESTION 8)

7a Why do you feel that the regulations would be unfair? *(Check ALL which apply)*

- 1 Would reduce employment opportunities (13)
2 Are a violation of specific constitutional or legal rights (14)
3 Infringe on individual freedom even if they do not violate specific legal rights (15)
4 Would prevent people from using valuable skills (16)
5 Other *(If you have ANY additional reasons, please write them here)* (17)

(Specify reasons) _____ (18-19)

8 Taking everything into account would you favor or oppose the types of restrictions referred to in the previous questions? *(Check only one)* (20)

- 1 Strongly favor the restrictions
2 Moderately favor the restrictions
3 Slightly favor the restrictions
4 Slightly oppose the restrictions
5 Moderately oppose the restrictions
6 Strongly oppose the restrictions
7 Cannot judge from information given here

**GENERAL INFORMATION ABOUT
DOD CAREER**

The questions on this and the following page ask about your career in DOD as a military and/or civilian employee

9 Were you ever an active duty military employee of DOD? (21)

- 1 Yes (CONTINUE)
2 Never on active military duty (SKIP TO QUESTION 13)

10 In what month and year did you leave active military service? *(Please write the month as a digit)* (22-25)

Month _____ Year 19____

11 What branch of the service were you in while on active duty? *(Check only one, the latest one on active duty)* (26)

1. Army
2 Navy
3 Marine Corps
4 Air Force

12 What was your military pay grade when you left? *(Check only one)* (27-28)

- O-04
 O-05
 O-06
 O-07
 O-08
 O-09
 O-10

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

13. Were you ever a civilian employee with DOD? (20)

1. Yes (CONTINUE) 2. Never civilian employee (SKIP TO QUESTION 17)

14. When did you leave civilian employment with DOD? (16-11)
(Please write the month as a digit)

Month: _____ Year: 19 _____

15. As a civilian employee, which DOD activity or component did you work for? (Check only the latest one) (14)

- 1. Department of the Army
- 2. Department of the Navy
- 3. Department of Air Force
- 4. Marine Corps
- 5. Office of the Secretary of Defense
- 6. Other DOD activity/component

Please describe) _____

16. What was your GS grade, SES (Career or Non-career), GM, or Executive Schedule level when you left DOD as a civilian employee? (Write in level for system) (13-17)

- 1. GS _____
- 2. Career SES _____
- 3. Non-career SES _____
- 4. GM _____
- 5. Executive schedule _____
- 6. Other (Specify system and level) _____

17. How many years were you employed by DOD in an active military capacity and/or a civilian capacity? (Provide years for both)

_____ Years as active military (16-19)

_____ Years as civilian DOD employee (16-41)

RESPONSIBILITIES DURING LAST TWO YEARS AT DOD

18. What were the official job titles for the positions you held during your last two years at DOD? (Please list earliest position first) (12-45)

1st Position. _____

2nd Position _____

3rd Position: _____

4th Position: _____

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

In the next question we need to know whether you exercised any of six different types of responsibilities which are related to contracting. Base your answer on the actual work you performed at DOD and not on any formal description of your position.

19 During your last two years at DOD to what extent, if at all, could your actions, decisions or evaluations have potentially affected any DOD contractor's work or the evaluation of that work? (Circle a number for each area of responsibility.)

(Choose "None" (Circle 1) only if you had no such responsibilities.)

(Choose "Determining" (Circle 5) if your decisions could determine whether a contractor would receive a contract or whether the overall evaluation of a contractor's work on a project would be favorable or unfavorable.)

Area of Responsibility (Circle one number for each)	Potential effect on any contractor					
	None	Minimal	Moderate	Substantial	Determining	
a. Procurement policy. Formulating or assisting in the formulation of procurement policy	1	2	3	4	5	(46)
b. Program management. Managing or assisting in the management of a procurement or acquisition program	1	2	3	4	5	(47)
c. Procurement or contract administration. Administering, negotiating, selecting, awarding, approving modifications or any other activities related to administering a contract	1	2	3	4	5	(48)
d. Cost and technical analysis or other advisory services. Cost analysis, price analysis, quality assurance, operation and developmental testing, budgeting, auditing, or other activities related to technical advice or recommendation on a contract	1	2	3	4	5	(49)
e. Source selection process. Participation or involvement in the source selection process as the selection authority or as a member of a source selection panel, technical advising committee, or any other formal group related to the contract award decision	1	2	3	4	5	(50)
f. Other types of responsibilities. If your activities could have affected any contractor in any other way, please rate and then describe the type of responsibility Type of responsibility _____	1	2	3	4	5	(51) (52-53)

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

POST-DOD WORK WITH DOD CONTRACTORS AND SUBCONTRACTORS

20 In the table below describe your work since leaving DOD with organizations with DOD contracts (or subcontracts) In Column II indicate whether you are/were an employee or have had some other work relationship with each organization. (Full-time, salaried employees of consulting firms should check "employee") In Column IV estimate the proportion of the organization's total business which consists of DOD contracts or subcontracts

Note. Private Consultants and Owners or Part-Owners of Firms

If you have been an independent consultant, owner or part-owner of a firm, answer on a separate line for each of your clients which has a DOD contract/subcontract. Do not describe the firm which you own That is, if you have provided products or services for three organizations with DOD contracts (or subcontracts) report three separate lines of information In Column II check "Other" for type of relationship If you consult directly with DOD, consider the organization to be DOD and check the last column

I Organization Worked For (Earliest First)	II Relationship to Organization		III Time Period of Employment		IV Amount of DOD Contract Work Done by Organization			
	Employee	Other	Began	Ended	Under Half	About Half	Over Half	Organization is DOD
			Mo /Yr.	Mo /Yr OR Write "Current"				
Organization #1	1	2	/	/	1	2	3	8
Organization #2	1	2	/	/	1	2	3	8
Organization #3	1	2	/	/	1	2	3	8
Organization #4	1	2	/	/	1	2	3	8
Organization #5	1	2	/	/	1	2	3	8
Organization #6	1	2	/	/	1	2	3	8
Organization #7	1	2	/	/	1	2	3	8
Organization #8	1	2	/	/	1	2	3	8

(If you worked for more than 8 organizations, list the ones with which you have worked the most since leaving DOD)

DIRECTIONS FOR NEXT QUESTIONS

IF YOU ENTERED "current" FOR ONLY ONE ORGANIZATION
CONTINUE TO THE NEXT PAGE

IF YOU DO NOT HAVE A "current" RELATIONSHIP
SKIP TO QUESTION 30 (ANSWER QUESTIONS 30 TO 38 ABOUT THE FIRST ORGANIZATION WITH WHICH YOU WORKED AFTER DOD)

IF YOU ENTERED "current" FOR MORE THAN ONE ORGANIZATION

20a Which "current" organization do you work with most? (Copy "Organization #" from the table above)

Organization # _____ CONTINUE TO NEXT PAGE (Answer questions 21 to 29 about this single organization)

Appendix IV
Questionnaire "Post DOD-
Employment Survey"

REMEMBER THE INSTRUCTIONS AT THE BOTTOM OF THE PREVIOUS PAGE: For Questions 21 to 29 (the yellow pages), answer with respect to the single "current" organization you work with that has DOD contracts/subcontracts

(If there is more than one organization, only consider the one with which you currently work the most. If you consult with DOD directly, describe the relevant DOD unit)
[] (4.3)

21 Approximately how many employees does the organization employ? (Check only one) (6)

- 1 Less than 10 employees
- 2 10 to 49 employees
- 3 50 to 99 employees
- 4 100 to 999 employees
- 5 1,000 to 9,999 employees
- 6 10,000 or more employees

RELATIONSHIP BETWEEN PRESENT AND DOD WORK

22 To what extent, if any, are you able to use any of your technical military knowledge (including knowledge about weapons systems or about military administrative systems) in your work with your current organization? (Check only one) (7)

- 1 To a very great extent
- 2 To a great extent
- 3 To a moderate extent
- 4 To some extent
- 5 No use of any technical military knowledge

23 Have you worked any of the time with the current organization on the same general types of matters that you worked on during your last two years at DOD? (8)

- 1 Yes, same general matters
- 2 Not same general matters

24 Have you worked any of the time with the current organization on the same weapons system, project or program as you worked on during your last two years at DOD? (9)

- 1 Yes, same project, system or program (CONTINUE TO QUESTION 24a)
- 2 Not same project, system or program (SKIP TO QUESTION 25)



24a During your last two years at DOD approximately how much of your time did you work on this same weapons system, project or program? (Check only one)

- 1 Less than 10%
- 2 10% to 39%
- 3 40% to 59%
- 4 60% to 89%
- 5 90% to 100%

24b While working with the current organization approximately how much of your time have you worked on this same weapons system, project or program? (Check only one)

- 1 Less than 10%
- 2 10% to 39%
- 3 40% to 59%
- 4 60% to 89%
- 5 90% to 100%

Appendix IV
Questionnaire "Post DOD-
Employment Survey"

The next two questions ask about work-related contact in your present job with DOD officials at any level. The first question concerns contact with DOD officials you previously worked with at DOD.

25. In the course of your work with the current organization to what extent, if at all, have you met any DOD officials that you worked with earlier while at DOD? (Check only one)

1. No DOD work-related communications (GO TO QUESTION 26) 2. Met casually during DOD work but not on work-related matters (GO TO QUESTION 26) 3. Communicated with such DOD official(s) on work-related matters (ANSWER QUESTION 25a) (12)



25a. If Work-Related Communication
In the course of your work how often have you communicated with such DOD officials? (Check only one) (13)

1. Less often than once a month
2. As often as monthly but not weekly
3. As often as weekly but not daily
4. On a daily basis

26. In the course of your work with the current organization to what extent, if at all, have you communicated with any DOD officials? (Consider present DOD officials even if you did not know them earlier) (Check only one)

1. No DOD work-related communications (GO TO QUESTION 27) 2. Met casually during DOD work but not on work-related matters (GO TO QUESTION 27) 3. Communicated with such DOD official(s) on work-related matters (ANSWER QUESTION 26a) (14)



26a. If Work-Related Communication
In the course of your work how often have you communicated with such DOD officials? (Check only one) (15)

1. Less often than once a month
2. As often as monthly but not weekly
3. As often as weekly but not daily
4. On a daily basis

27. During your last two years at DOD did you have any responsibility for contracts which have supported your work with your current organization? (16)

1. Yes, had at least some responsibility
2. Had no responsibility

EXPERIENCE WHILE AT DOD WITH YOUR CURRENT ORGANIZATION

28. During your last two years at DOD in the normal course of your DOD work did you come into contact with any people who were working for your current organization? (17)

1. Yes, did have contact as part of DOD job
2. No contact as part of DOD job

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

**RESPONSIBILITIES PREVIOUSLY EXERCISED AT DOD WITH RESPECT
TO CURRENT ORGANIZATION**

This question is similar to Question 19 which asked about your DOD responsibilities with all contractors. This question, however, asks about your DOD responsibilities with only your current organization. Again base your answer on the actual work you performed at DOD and not on the formal description of your position.

29 During your last two years at DOD to what extent, if at all, could your actions, decisions or evaluations have potentially affected your current organization's work or the evaluation of that work? (Circle a number for each area of responsibility.)

(Choose "None" (Circle 1) only if you had no such responsibilities.)

(Choose "Determining" (Circle 5) if your decisions could determine whether this contractor would receive a contract or whether the overall evaluation of this contractor's work on a project would be favorable or unfavorable.)

Area of Responsibility (Circle one number for each)	Potential effect on current contractor					
	None	Minimal	Moderate	Substantial	Determining	
a Procurement policy. Formulating or assisting in the formulation of procurement policy	1	2	3	4	5	(18)
b Program management. Managing or assisting in the management of a procurement or acquisition program	1	2	3	4	5	(19)
c Procurement or contract administration. Administering, negotiating, selecting, awarding, approving modifications or any other activities related to administering a contract	1	2	3	4	5	(20)
d Cost and technical analysis or other advisory services. Cost analysis, price analysis, quality assurance, operation and developmental testing, budgeting, auditing, or other activities related to technical advice or recommendation on a contract	1	2	3	4	5	(21)
e Source selection process. Participation or involvement in the source selection process as the selection authority or as a member of a source selection panel, technical advising committee, or any other formal group related to the contract award decision	1	2	3	4	5	(22)
f Other types of responsibilities. If your activities could have affected this contractor in any other way, please rate and then describe the type of responsibility Type of responsibility _____	1	2	3	4	5	(23) (24-25)

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

DIRECTIONS FOR NEXT QUESTIONS

**IF YOU HAVE WORKED WITH ONLY ONE ORGANIZATION (i.e., only one listed in Question 20):
SKIP TO QUESTION 39 (the white pages)**

**IF YOU HAVE WORKED WITH ONLY TWO ORGANIZATIONS (i.e., two listed in Question 20)
ANSWER QUESTIONS 30 TO 38 (green pages) ABOUT THE OTHER ORGANIZATION**

**IF YOU HAVE WORKED WITH MORE THAN TWO ORGANIZATIONS (i.e., more than two in Question 20):
ANSWER QUESTIONS 30 TO 38 (green pages) ABOUT ONLY THE FIRST OF THE REMAINING ORGANIZATIONS
(i.e., answer about the first organization listed in Question 20 unless you have already described it in the yellow pages.
If you have already described the first organization, describe the second listed organization.)**

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

REMEMBER — IF YOU ANSWERED THE YELLOW PAGES: Answer Questions 30 to 38 about one of the remaining organizations which was not described in the yellow pages. If there are several remaining organizations, describe only the one with which you first worked.

REMEMBER — IF YOU SKIPPED THE YELLOW PAGES: Answer Questions 30 to 38 about the first organization listed for Question 20.

(If you consult with DOD directly, describe the relevant DOD unit.)

30 Approximately how many employees did this organization employ? *(Check only one)* (26)

- 1 Less than 10 employees
- 2 10 to 49 employees
- 3 50 to 99 employees
- 4 100 to 999 employees
- 5 1,000 to 9,999 employees
- 6 10,000 or more employees

RELATIONSHIP BETWEEN WORK WITH THIS ORGANIZATION AND DOD WORK

31 To what extent, if any, were you able to use any of your technical military knowledge (including knowledge about weapons systems or about military administrative systems) in your work with this organization? *(Check only one)* (27)

- 1 To a very great extent
- 2 To a great extent
- 3 To a moderate extent
- 4 To some extent
- 5 No use of any technical military knowledge

32 Did you work any of the time with this organization on the same general types of matters that you worked on during your last two years at DOD? (28)

- 1. Yes, same general matters
- 2. Not same general matters

33. Did you work any of the time with this organization on the same weapons system, project or program that you worked on during your last two years at DOD? (29)

- 1 Yes, same project, system or program 2 Not same project, system or program
- (CONTINUE TO QUESTION 33a) (SKIP TO QUESTION 34)**



33a During your last two years at DOD approximately how much of your time did you work on this same weapons system, project or program? *(Check only one)* (30)

- 1 Less than 10%
- 2. 10% to 39%
- 3 40% to 59%
- 4 60% to 89%
- 5 90% to 100%

33b While working with this organization approximately how much of your time did you work on this same weapons system, project or program? *(Check only one)* (31)

- 1 Less than 10%
- 2 10% to 39%
- 3 40% to 59%
- 4 60% to 89%
- 5 90% to 100%

Appendix IV
Questionnaire "Post DOD-
Employment Survey"

The next two questions ask about work-related contact with this organization with DOD officials at any level. The first question concerns contact with DOD officials you previously worked with at DOD.

34. In the course of your work with this organization to what extent, if at all, did you meet any DOD officials that you worked with earlier while at DOD? (Check only one)

1. No DOD work-related communications (GO TO QUESTION 35) 2. Met casually during DOD work but not on work-related matters (GO TO QUESTION 35) 3. Communicated with such DOD official(s) on work-related matters (ANSWER QUESTION 34a) (13)

34a. If Work-Related Communication
In the course of your work how often did you communicate with such DOD officials? (Check only one) (13)

1. Less often than once a month
2. As often as monthly but not weekly
3. As often as weekly but not daily
4. On a daily basis

35. In the course of your work with this organization to what extent, if at all, did you communicate with any DOD officials? (Consider DOD officials even if you did not know them earlier.) (Check only one)

1. No DOD work-related communications (GO TO QUESTION 36) 2. Met casually during DOD work but not on work-related matters (GO TO QUESTION 36) 3. Communicated with such DOD official(s) on work-related matters (ANSWER QUESTION 35a) (14)

35a. If Work-Related Communication
In the course of your work how often did you communicate with such DOD officials? (Check only one) (15)

1. Less often than once a month
2. As often as monthly but not weekly
3. As often as weekly but not daily
4. On a daily basis

36. During your last two years at DOD did you have any responsibility for contracts which supported your work with this organization? (16)

1. Yes, had at least some responsibility
2. Had no responsibility

EXPERIENCE WHILE AT DOD WITH THIS ORGANIZATION

37. During your last two years at DOD in the normal course of your DOD work did you come into contact with any people who were working for this organization? (17)

1. Yes, did have contact as part of DOD job
2. No contact as part of DOD job

**Appendix IV
Questionnaire "Post DOD-
Employment Survey"**

RESPONSIBILITIES PREVIOUSLY EXERCISED AT DOD WITH RESPECT TO THIS ORGANIZATION

The next question is similar to Question 19 which asked about your responsibilities with all contractors at DOD. This question, however, asks about your DOD responsibilities with only **this organization** which you have been describing in this section. Again base your answer on the actual work you performed at DOD and not on any formal description of your position.

38. During your last two years at DOD to what extent, if at all, could your actions, decisions or evaluations have potentially affected **this organization's** work or the evaluation of that work? (Circle a number for each area of responsibility)

(Choose "None" (Circle 1) only if you had no such responsibilities.)

(Choose "Determining" (Circle 5) if your decisions could determine whether this contractor would receive a contract or whether the overall evaluation of this contractor's work on a project would be favorable or unfavorable)

Area of Responsibility (Circle one number for each)	Potential effect on this contractor					
	None	Minimal	Moderate	Substantial	Determining	
a Procurement policy Formulating or assisting in the formulation of procurement policy	1	2	3	4	5	(38)
b Program management. Managing or assisting in the management of a procurement or acquisition program	1	2	3	4	5	(39)
c Procurement or contract administration. Administering, negotiating, selecting, awarding, approving modifications or any other activities related to administering a contract	1	2	3	4	5	(40)
d Cost and technical analysis or other advisory services. Cost analysis, price analysis, quality assurance, operation and developmental testing, budgeting, auditing, or other activities related to technical advice or recommendation on a contract	1	2	3	4	5	(41)
e Source selection process. Participation or involvement in the source selection process as the selection authority or as a member of a source selection panel, technical advising committee, or any other formal group related to the contract award decision	1	2	3	4	5	(42)
f Other types of responsibilities. If your activities could have affected this contractor in any other way, please rate and then describe the type of responsibility. Type of responsibility _____	1	2	3	4	5	(43) (44-45)

Appendix IV
Questionnaire "Post DOD-
Employment Survey"

**THE REMAINING QUESTIONS SHOULD
BE ANSWERED BY ALL**

39 How did your final salary (base pay plus allowances) at DOD compare with your initial salary in your first position with a defense contractor after leaving DOD? (IF CONSULTANT, consider net income from first year after DOD) (Check only one) ⁽⁴⁶⁾

1. The new salary was less than the DOD salary
2. The new salary was an increase of up to \$5,000 over the DOD salary
3. The new salary was an increase of \$5,000 up to \$20,000 over the DOD salary
4. The new salary was an increase of \$20,000 up to \$50,000 over the DOD salary
5. The new salary was an increase of more than \$50,000 over the DOD salary

40. Now consider all of the financial benefits of your former DOD position and of your post-DOD position. How did all of your financial benefits at DOD compare with all of those in your first position after leaving DOD? ⁽⁴⁷⁾

1. The DOD position had greater financial benefits.
2. The two positions had about equal financial benefits
3. The first position after leaving DOD had greater financial benefits

41. Do you have any other comments regarding post-DOD employment with defense contractors which you want reported to Congress? (Your comments will be summarized with others and reported) ⁽⁴⁸⁾

1. No
2. Yes (Please write your comments below. Continue on the next page if necessary) ⁽⁴⁹⁻⁵⁰⁾

THANK YOU FOR YOUR HELP PLEASE
REMEMBER TO

- 1 RETURN YOUR SURVEY IN THE ENCLOSED
ADDRESSED ENVELOPE
- 2 RETURN THE POST CARD SEPARATELY

Comments From the Assistant Secretary of Defense for Force Management and Personnel



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

FORCE MANAGEMENT
AND PERSONNEL

23 March 1987

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Conahan:

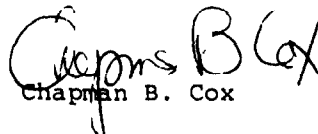
This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report entitled, "DoD Revolving Door: Post-DoD Employment May Raise Concerns," (GAO Code 391045, OSD Case No. 7126-A), dated February 13, 1987.

The DoD concurs with the findings of the draft report. We note, however, that no conclusions can be drawn regarding possible improprieties or violations of the laws. Specific comments on each finding are enclosed.

Section 922 of Public Law 99-145 significantly amended 10 USC 2397 concerning reports on employees or former employees of defense contractors; as amended, more stringent standards and enforcement authority are provided. The Department is implementing the amended reporting requirement to include revision of the Departmental directive, disclosure forms, information collection processes, complaint and review procedures, compliance guidance, and enforcement standards. With the expanded statutory authority and the revised management controls, possible violators of the law can be better identified and perceived improprieties reduced.

The Department of Defense appreciates the opportunity to review the draft report and provide comments.

Sincerely,


Chapman B. Cox

Enclosure:
As stated

Appendix V
Comments From the Assistant Secretary of
Defense for Force Management
and Personnel

DEPARTMENT OF DEFENSE COMMENTS
ON GAO DRAFT REPORT - DATED FEBRUARY 13, 1987
(GAO CODE 391045) OSD CASE 7126-A

"DOD REVOLVING DOOR: POST-DOD EMPLOYMENT MAY RAISE CONCERNS"

- o FINDING A: Former Defense Personnel Working For Defense Contractors. In seeking to answer the question of how often former Department of Defense (DoD) personnel work for defense contractors on the same project they worked on at the DoD, the GAO looked at high- and mid-level personnel who left the DoD during FY 1983 and FY 1984. The GAO limited its study to former DoD personnel who were thought to be working for defense contractors because each held an industrial security clearance. As a result of questionnaires sent to a stratified random sample of such personnel, the GAO estimated that of 30,126 high- and mid-level personnel who left DoD in FY 1983 and FY 1984, 5,755 (19.1 percent) worked for a defense contractor. Of these personnel, 4,417 were military and 1,641 were civilian. (p. 2, pp. 6-11/GAO Draft Report)

Now on pp 6 to 7

DoD Response: Concur. We note, however, that the survey sample size is not the universe population.

- o Finding B: Concern Over Post-DoD Employment Activities. The GAO reported that the Congress has been concerned about the movement of Government employees into the private sector and of private-sector employees into Government--i.e., the so-called "revolving door" phenomenon. The GAO noted that the Congress is especially concerned about DoD military officers and high-level civilian employees taking jobs with defense contractors, fearing that this situation could lead to conflicts of interest. The GAO also observed that the movement of DoD employees into jobs with defense contractors can affect public confidence in the Government by creating certain perceptions; for example:

-- DoD personnel who anticipate future employment with a defense contractor might be perceived as using their position to gain favor with the contractor at the expense of the Government; and/or

-- Former DoD personnel who work for a defense contractor might be perceived as using their contacts with former colleagues at the DoD to the benefit of the defense contractor and to the detriment of the public. (p. 12/GAO Draft Report)

Now on p 10

DoD Response: Concur. The DoD agrees that instances of improprieties among Federal employees do affect public confidence in the Government and should, to the extent possible, be eliminated.

- o FINDING C: Conflict of Interest Laws. The GAO observed that Section 207 of Title 18, United States Code, restricts certain representational activity on the part of former Government personnel on matters in which they participated while in Government. The GAO further observed that Section 208(a) of Title 18, United States Code, requires Government personnel to refrain from personal and substantial participation as Government personnel through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any particular matter affecting organizations with which they are negotiating for, or have an arrangement concerning, prospective employment. (pp. 12-13/GAO Draft Report)

DoD Response: Concur. The DoD agrees with the interpretation. The GAO Draft Report correctly interprets 18 USC 207 and 18 USC 208(a). We note, however, other statutory restrictions continue to apply, including those on selling (18 USC 281 and 37 USC 801(b)).

- o FINDING D: Appearance of Post-Employment Activities. The GAO focused on post-employment activities and situations that could give the appearance that former DoD personnel allowed private interests to affect the performance of Government responsibilities or took advantage of Government connections after leaving Government service. The GAO estimated from its survey responses that, while at the DoD, about 73 percent of the personnel it studied could have affected a defense contractor's work or evaluation or that work, while about 82 percent had business communications with DoD officials since leaving the DoD. (p. 15/GAO Draft Report)

DoD Response: Concur. The GAO statistics presented are results of the survey conducted by the GAO.

- o FINDING E: "Potentially At Risk" Group. The GAO reported that it considered individuals who reported (1) having had DoD responsibilities that could have affected the defense contractors for whom they later worked, (2) having worked on the same weapons system, project, or program that they had contracts on while at DoD, or (3) having had responsibility for contracts which supported their subsequent work for a defense contractor as being "potentially at risk." The GAO estimated that about 26 percent of approximately 5,100 former high- and mid-level DoD personnel had responsibilities while at the DoD for defense contractors for whom they subsequently worked. Also, the GAO estimated that about 21 percent subsequently worked on the same system, project, or program for a defense contractor that they had worked on while with the DoD. In addition, the GAO estimated about 7 percent were responsible for DoD contracts that subsequently supported their post-DoD employment. Finally, the GAO

estimated that about 32 percent of the 5,100 have been in one or more of these three situations. The GAO concluded that the public could perceive that individuals employed by the DoD may not have acted in the best interest of the Government because they viewed a defense contractor as a potential employer. In addition, the GAO concluded the public may perceive that former DoD personnel are taking advantage of "inside contacts," to the detriment of the Government, or influenced contract decisions to obtain subsequent employment. (p. 2, pp. 15-16/GAO Draft Report)

Now on p 12

DoD Response: Concur. Based on the GAO survey responses, these data are correct; however, no evidence exists to confirm instances of impropriety, if any.

- o FINDING F: Effect of DoD Responsibilities on Subsequent Employers. The GAO reported that 74 percent of survey respondents said their DoD responsibilities had no effect on their new employer, while 9 percent had a "substantial" or "determining" effect and 17 percent had a "moderate" (8 percent) or "minimal" (9 percent) effect. The GAO concluded, therefore, that a total of 26 percent had responsibilities while at the DoD for defense contractors for whom they subsequently worked. (p. 2, pp. 17-19/GAO Draft Report)

Now on p 13

DoD Response: Concur.

- o FINDING G: Post-DoD Work on the Same Project. The GAO reported that 21 percent of respondents said they had worked on the same weapon system, project or program after leaving the DoD. The GAO noted that 10 percent worked 60 percent or more of their time on the same project while at the DoD. Also, the GAO noted that 13 percent worked 60 percent or more of their time on the same project for a defense contractor. (pp. 19-21/GAO Draft Report)

Now on pp. 14 to 15.

DoD Response: Concur.

- o FINDING H: Responsibilities for a Contract Supporting Future Work. Based on responses to questions as to whether, during their last two years at the DoD, they had any responsibility for a contract that supported their subsequent work with a defense contractor, the GAO estimated that 7 percent had some responsibility for a contract that supported their subsequent work with a defense contractor. (pp. 21-22/GAO Draft Report)

Now on p. 15.

DoD Response: Concur.

- o FINDING I: Business Communication with DoD Officials. The GAO projected that 46 percent of the respondents to the survey had "daily" or "weekly" work-related communication with DoD officials and 36 percent had less frequent contact--for a total of 82 percent. The GAO estimated that about 15 per-

Now on pp 15 to 16

cent had "daily" or "weekly" work-related communication with former colleagues, while 30 percent had contact less frequently. (pp. 22-24/GAO Draft Report)

DoD Response: Concur.

- o FINDING J: Relationship of "Potentially At Risk" to the Criminal Conflict-of-Interest Statutes. The GAO observed that its information was not sufficient to support a determination that a violation of applicable statutes had occurred. The GAO further observed, however, that its analyses further refined the "potentially at risk" group by isolating those individuals more likely to have crossed the boundaries set by these laws. The GAO found that 88 percent of the "potentially at risk" group had business communications with DoD officials. The GAO also found that about 72 percent of the "potentially at risk" group began employment within a month after leaving the DoD and 69 percent had contact with their future employer as a result of their official Government responsibilities during their last two years at the DoD. The GAO concluded that this data raises a question as to whether some of the "potentially at risk" individuals might have taken actions affecting the organization with whom they were negotiating for employment prior to leaving Government service. The GAO did not, however, know how many in this group actually negotiated for employment before leaving DoD or how many took appropriate steps to disqualify themselves from any responsibilities affecting their subsequent employer. (pp. 24-27/GAO Draft Report)

Now on pp. 17 to 18

DoD Response: Concur. The DoD agrees that the collected survey information is insufficient to support a determination of statutory violation.

- o FINDING K: DoD Salary Compared with Defense-Contractor Salary. Based on the survey information, the GAO estimated that 65 percent of former DoD personnel earned less when they went to work for a defense contractor than they did when they left the DoD. The GAO observed that 73 percent felt that, even when all benefits were included, they received less or about equal financial compensation. (p. 27-28/GAO Draft Report)

Now on pp. 18 to 19

DoD Response: Concur. The results of this finding confirm other post-service income information on former and retired military members.

- o FINDING L: Opinions on Prohibiting Certain Post-DoD Employment. The GAO reported that about 96 percent of respondents considered the movement of DoD personnel to industry as advantageous for defense contractors and about 90 percent saw it as advantageous to the DoD. The GAO also noted that about 68 percent of the study group responded that banning certain post-DoD employment was disadvantageous

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to defense contractors. In addition, the GAO reported that about 43 percent thought it would be disadvantageous for the DoD, while 36 percent thought it would be advantageous for DoD. The GAO also reported that an estimated 63 percent indicated they were opposed to specific proposed legislation banning certain types of post-DoD employment. (About 46 percent were "strongly opposed," while only about 13 percent "strongly favored" such legislation). The GAO estimated that about 66 percent viewed employment restrictions as being unfair to former DoD personnel. (Of these, 87 percent thought that restrictions would prevent people from using valuable skills, while 78 percent thought the restrictions would reduce employment opportunities.) (pp. 29-31/GAO Draft Report)

DoD Response: Concur.

Now on pp. 19 to 20.

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