



Pentagon Alchemy:

How Defense Officials Pass Through the Revolving Door and Peddle Brass for Gold



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I. Introduction

The abuse of the revolving door between government service and the private sector can corrupt government decision-making.¹ When government officials cash in on their public service by lobbying, advising, or serving as board members and executives for the companies they used to regulate, it leads to questions about the extent to which special interests gain access to key decisionmakers, undermining public officials' integrity and casting doubt on the fairness of government contracting. This problem is incredibly concerning and pronounced in the U.S. Department of Defense (DoD) and the United States' defense industry.²

But this practice is nothing new. In his 1961 farewell address, President Dwight D. Eisenhower famously warned that the influence of the military industrial complex could “endanger our liberties or democratic processes.”³ In 1959, an amendment to prohibit awarding contracts to companies that hire retired military officers failed by just one vote in the U.S. House of Representatives,⁴ even though at that time U.S. Navy officers had been prohibited from working for contractors since 1896.⁵

Current federal ethics laws that are supposed to regulate the revolving door are overly complex and often insufficient to prevent conflicts of interest.⁶ Indeed, even though the DoD has improved certain practices, the U.S. Government Accountability Office found that DoD could further enhance its compliance efforts by amending regulations to require contractors to demonstrate their employees' compliance with post-government employment lobbying restrictions established in the *National Defense Authorization Act*.⁷ Post-government employment restrictions remain an impossibly confusing “tangled mess” that hinders effective implementation and compliance – and keeps the revolving door spinning.⁸

To address this issue, Senator Warren introduced the *Department of Defense Ethics and Anti-Corruption Act* which would “limit the influence of contractors on the military, constrain

¹ Public Citizen, “Slowing the Federal Revolving Door,” Craig Holman and Caralyn Esser, July 22, 2019, <https://www.citizen.org/article/slowing-the-federal-revolving-door/>.

² The Regulatory Review, “Regulating the Defense Industry’s Revolving Door,” William Tunney, January 20, 2022, <https://www.theregreview.org/2022/01/20/tunney-regulating-defense-industry-revolving-door/>.

³ U.S. National Archives, “President Dwight D. Eisenhower’s Farewell Address,” January 17, 1961, <https://www.archives.gov/milestone-documents/president-dwight-d-eisenhowers-farewell-address>.

⁴ Washington Post and Times Herald, “Hiring of Top Ex-Army Officers By Arms Makers to Be Probed,” Tom Nelson, June 5, 1959, A12.

⁵ 10 U.S.C. § 6112 (repealed)

⁶ Project on Government Oversight, “The Politics of Contracting,” Scott Amey, June 29, 2004, <https://www.pogo.org/report/2004/06/politics-of-contracting>; Public Citizen, “Slowing the Federal Revolving Door,” Craig Holman and Caralyn Esser, July 22, 2019, <https://www.citizen.org/article/slowing-the-federal-revolving-door/>.

⁷ Government Accountability Office, “Post-Government Employment Restrictions,” September 2021, <https://www.gao.gov/assets/gao-21-104311.pdf>.

⁸ Project on Government Oversight, “Brass Parachutes: Defense Contractors’ Capture of Pentagon Officials Through the Revolving Door,” November 5, 2018, https://s3.amazonaws.com/docs.pogo.org/report/2018/POGO_Brass_Parachutes_DoD_Revolving_Door_Report_2018-11-05.pdf.

foreign influence on retired senior military officers, and assert greater transparency over contractors and their interaction with DoD.”⁹

Senator Warren commissioned this report to examine the revolving door of DoD officials currently working in the defense industry. The results confirm that the door is still spinning rapidly – highlighting the need for legislative and regulatory overhauls to address the problem.

II. Methodology

For this report, Senator Warren’s staff compiled a list of DoD and other government officials who went through the revolving door to the top 20 defense industry contractors.¹⁰ Staff reviewed the Open Secrets Revolving Door database, corporate websites, lobbying disclosures, and U.S. Senate confirmation lists to identify individuals who had previous government experience. Many of these individuals were former Congressional staffers or legislative liaisons for defense agencies or military services. A number of former officials were employed by multiple contractors, so there are more instances of the revolving door going around than there were people going through it. Many of the lobbyists are not directly employed by the defense industry but are instead hired through outside firms. Several of the cases also involve individuals who went from senior Pentagon positions to work directly for defense contractors as board members or executives.

Notably, this list is non-exhaustive and does not capture all methods of influence peddling. As one *Politico* investigation found, there is “an entire class of professional influencers who operate in the shadows” as “policy advisers, strategic consultants, trade association chiefs, corporate government relations executives, [and] affiliates of agenda-driven research institutes.”¹¹ And, many individuals who do engage in lobbying activities aren’t required to register as lobbyists, as another *Politico* investigation revealed.¹² Senator Warren’s *Anti-Corruption and Public Integrity Act* would amend the federal definition of lobbyist to include all individuals paid to influence government.¹³

III. Findings

A. *Top Defense Contractors Hire Hundreds of Former Government Officials, Most as Lobbyists*

This analysis identified 672 cases in 2022 in which the top 20 defense contractors had former government officials, military officers, Members of Congress, and senior legislative staff

⁹ Senator Elizabeth Warren and Representative Jackie Speier, “One Pager: Department of Defense Ethics and Anti-Corruption Act of 2019,” www.warren.senate.gov/imo/media/doc/DoD%20Ethics%20and%20Anti-Corruption%20Act%20One-Pager%20FINAL.pdf.

¹⁰ The System for Award Management, “Top 100 Contractors Report: Fiscal Year 2021,” 2021, <https://sam.gov/reports/awards/static>.

¹¹ Politico, “The lobbying reform that enriched Congress,” Isaac Arnsdorf, July 3, 2016, <https://www.politico.com/story/2016/06/the-lobbying-reform-that-enriched-congress-224849>.

¹² Politico “Lockheed’s top government affairs official not registered as lobbyist,” Austin Wright and Jeremy Herb, July 3, 2016, <https://www.politico.com/story/2016/07/lockheed-lobbyist-no-registered-225044>.

¹³ Senator Elizabeth Warren, “Summary: Anti-Corruption and Public Integrity Act,” pg. 2, <https://www.warren.senate.gov/imo/media/doc/Master%20Summary%20of%20Anti%20Corruption%20Act%20-%20FINAL.pdf>.

working for them as lobbyists, board members, or senior executives. In 91 percent of these cases, the individuals that went through the revolving door became registered lobbyists for big defense contractors.

Table 1: Top 20 DoD Contractors' Abuse of the Revolving Door

| Company | Number of Revolving Door Lobbyists | Number of Revolving Door Executives | Number of Revolving Door Directors, Board Members, or Trustees | Total Revolving Door Hires |
|-----------------------------------------|------------------------------------|-------------------------------------|----------------------------------------------------------------|----------------------------|
| Lockheed Martin | 49 | 1 | 3 | 53 |
| Boeing | 77 | 6 | 2 | 85 |
| Raytheon Technologies | 60 | 1 | 3 | 64 |
| General Dynamics | 54 | 0 | 3 | 57 |
| Pfizer ¹⁴ | 71 | 1 | 2 | 73 |
| Northrop Grumman | 28 | 2 | 2 | 32 |
| Humana ¹⁵ | 33 | 0 | 1 | 34 |
| Moderna ¹⁶ | 10 | 0 | 1 | 11 |
| L3Harris Technologies | 15 | 3 | 3 | 21 |
| Huntington Ingalls | 34 | 4 | 2 | 40 |
| Regeneron Pharmaceuticals ¹⁷ | 13 | 0 | 0 | 13 |
| Analytic Services | 0 | 2 | 7 | 9 |
| Leidos Holdings | 35 | 0 | 2 | 37 |
| BAE Systems | 21 | 1 | 1 | 23 |
| Centene ¹⁸ | 27 | 0 | 1 | 28 |

¹⁴ Although Pfizer is not typically considered a common DoD contractor, there was extensive DoD contracting with the company during the COVID pandemic. See Bloomberg Law, “Pfizer Wins \$3.2 Billion U.S. Army Contract,” June 29, 2022, <https://news.bloomberglaw.com/coronavirus/pfizer-wins-3-2-billion-u-s-army-contract>; <https://www.defense.gov/News/Releases/Release/Article/2776189/dod-awards-32-billion-in-contract-modifications-for-mono-clonal-antibodies/>.

¹⁵ Although Humana is not typically considered a common DoD contractor, there was extensive DoD contracting with the company during the COVID pandemic. See Humana, “Humana Military Wins Department of Defense TRICARE East Region Contract,” press release, December 22, 2022, <https://press.humana.com/news/news-details/2022/Humana-Military-Wins-Department-of-Defense-TRICARE-East-Region-Contract/default.aspx#gsc.tab=0>.

¹⁶ Although Moderna is not typically considered a common DoD contractor, there was extensive DoD contracting with the company during the COVID pandemic. See Department of Defense, “DoD Awards \$1.74 Billion Agreement to Moderna, Inc. to Secure Over 65 Million Doses of COVID-19 Vaccine for Fall Vaccinations,” press release, July 29, 2022, <https://www.defense.gov/News/Releases/Release/Article/3109705/dod-awards-174-billion-agreement-to-moderna-inc-to-secure-over-65-million-doses/>.

¹⁷ Although Regeneron is not typically considered a common DoD contractor, there was extensive DoD contracting with the company during the COVID pandemic. See Department of Defense, “DoD Awards \$3.2 Billion in Contract Modifications for Monoclonal Antibodies,” press release, September 15, 2021, <https://www.defense.gov/News/Releases/Release/Article/2776189/dod-awards-32-billion-in-contract-modifications-for-mono-clonal-antibodies/>.

¹⁸ Although Centene is not typically considered a common DoD contractor, there was extensive DoD contracting with the company during the COVID pandemic, despite recently losing a large military health insurance contract. See St. Louis Business Journal, “Centene Corp. loses \$65B defense health contract,” Jacob Kim, December 24,

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|------------------------|-----|----|----|-----|
| Bechtel | 8 | 2 | 1 | 11 |
| General Electric | 60 | 0 | 0 | 60 |
| McKesson | 18 | 0 | 0 | 18 |
| Atlantic Diving Supply | 0 | 2 | 0 | 2 |
| Bell Boeing | 0 | 0 | 0 | 0 |
| Totals | 613 | 25 | 34 | 672 |

B. Defense Industry Consolidation Increases the Risks from Big Corporations Abuse of the Revolving Door

The sheer size of America’s military budget provides ample and lucrative opportunities for former government officials. Last year Congress gave the DoD over \$851 billion in total funding.¹⁹ The DoD is also the largest federal contracting agency: of the total \$692.3 billion in contracts awarded by the federal government in FY 2021, 61 percent were awarded by DoD amounting to \$386.9 billion.²⁰ Almost 40 percent of this was awarded to just 10 defense contractors.²¹

This is unsurprising given the consolidation of the defense industry. After waves of mergers and acquisitions, competition has decreased significantly – from over 50 firms to just five large rivals – decreasing DoD’s ability to choose from a broad range of competitors.²² Consolidation in the industry can “result in higher costs to taxpayers as leading firms leverage their market position to charge more,” and hinder the ability of the defense industry to deliver key technologies, materials, and services needed to support the DoD’s mission.²³ A recent DoD report found a significant decrease in competition among suppliers over the past twenty years for major weapon categories, “such as tactical missiles declining from 13 suppliers to 3 suppliers, fixed-wing aircraft declining from 8 suppliers to 3, and satellites declining from 8 suppliers to 4.”²⁴

This decline in competition, while bad for the DoD, is great for corporate profits. For example, the top two defense contractors, Lockheed Martin and Raytheon,²⁵ posted FY 2022

2022, <https://www.ksdk.com/article/news/local/business-journal/centene-corporation-loses-65-billion-defense-health-contract/63-702b9074-a57f-460e-8d82-b481b4ad1281>.

¹⁹ Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, “Defense Budget Overview,” March 2023, pgs. 1-3,

https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_Budget_Request_Overview_Book.pdf.

²⁰ Government Accountability Office, “A Snapshot: Government-Wide Contracting,” 2021, https://gaoinnovations.gov/Federal_Government_Contracting/.

²¹ The System for Award Management, “Top 100 Contractors Report: Fiscal Year 2021,” 2021, <https://sam.gov/reports/awards/static>.

²² Commission on the Future of the United States Aerospace Industry “Final Report,” December 2002, pg. v, <https://history.nasa.gov/AeroCommissionFinalReport.pdf>.

²³ Office of the Under Secretary of Defense for Acquisition and Sustainment, “State of Competition within the Defense Industrial Base,” February 2022, pg. ii, <https://media.defense.gov/2022/Feb/15/2002939087/-1/-1/1/STATE-OF-COMPETITION-WITHIN-THE-DEFENSE-INDUSTRIAL-BASE.PDF>.

²⁴ *Id.* at pg. 5.

²⁵ Defense News, “Top 100 for 2022,” 2022, <https://people.defensenews.com/top-100/>.

profits of \$5.7²⁶ and \$13.6 billion respectively.²⁷ To keep the money flowing, defense contractors frequently hire former Pentagon and other government officials to help them win defense contracts from their former colleagues.²⁸

C. Big Defense Contractors Hired the Most Revolving Door Lobbyists and Stocked Their Boards Stocked with Government Officials

Boeing appeared to hire the most former government officials, 85, which includes six as high-ranking executives, two as board members, and 77 as registered lobbyists. Of those corporate executives, three – Uma Amuluru, Brian Besanceney, and Brett Gerry – served in senior positions at the Department of Justice (DOJ), the White House, the Department of State, or the Department of Homeland Security.²⁹ Boeing’s executive vice president for government operations served as a senior staffer in the U.S. House of Representatives and U.S. Senate and as the principal deputy of legislative affairs in the White House.³⁰ One of the board members, Admiral John M. Richardson, was the former Chief of Naval Operations for the U.S. Navy and the former Director of the Naval Nuclear Propulsion Program.³¹ The other, Stayce D. Harris, was the former Inspector General and the Assistant Vice Chief of Staff for the U.S. Air Force.³²

Raytheon hired 64 revolving door officials - three as board members, one as a corporate executive, and 60 as registered lobbyists. One of those board members, Margaret L. O’Sullivan, is a current member of U.S. Secretary of State Antony Blinken’s Foreign Policy Advisory Board and previously served as special assistant to President George W. Bush on the National Security

²⁶ Lockheed Martin, “Lockheed Martin Reports Fourth Quarter And Full Year 2022 Financial Results,” press release, January 24, 2023, <https://news.lockheedmartin.com/2023-01-24-Lockheed-Martin-Reports-Fourth-Quarter-and-Full-Year-2022-Financial-Results#:~:text=Net%20earnings%20in%202022%20were,%243.99%20per%20share%20in%202021.>

²⁷ MacroTrends, “Raytheon Technologies Gross Profit 2010-2022,” <https://www.macrotrends.net/stocks/charts/RTX/raytheon-technologies/gross-profit#:~:text=Raytheon%20Technologies%20gross%20profit%20for%20the%20twelve%20months%20ending%20December,a%209.42%25%20increase%20from%202021.>

²⁸ The Project on Government Oversight, “The Pentagon’s Revolving Door Keeps Spinning: 2021 in Review,” Ryan Summers, January 20, 2022, <https://www.pogo.org/analysis/2022/01/the-pentagons-revolving-door-keeps-spinning-2021-in-review.>

²⁹ Vice President and Assistant General Counsel Uma Amuluru previously was counselor to Attorney General Loretta Lynch, associate White House Counsel under Obama, and Assistant U.S. Attorney for the District of Columbia. See Boeing, “Executive Biography of Uma Amuluru,” <https://www.boeing.com/company/bios/uma-amuluru.page>; Chief Communications Officer and Senior VP of Communications Brian Besanceney formerly served as Deputy Chief of Staff to Secretary of State Condoleezza Rice, Assistant Secretary for Public Affairs at the U.S. Department of Homeland Security, and Deputy Communications Director at the White House under President George W. Bush. See Boeing, “Executive Biography of Brian Besanceney,” <https://www.boeing.com/company/bios/brian-besanceney.page>; Chief Legal Officer and EVP of Global Compliance Brett Gerry was formerly chief of staff to U.S. Attorney General Michael Mukasey, acting assistant AG, and associate counsel to the President. See Boeing, “Executive Biography of Brett Gerry,” <https://www.boeing.com/company/bios/brett-gerry.page>.

³⁰ Executive Vice President of Government Operations Ziad Ojakli previously served in the White House as Principal Deputy for Legislative Affairs for President George W. Bush and as Chief of Staff and Policy Director to Senator Paul Coverdell (R-GA). See Boeing, “Executive Biography of Ziad Ojakli,” <https://www.boeing.com/company/bios/ziad-ojakli.page>.

³¹ Boeing, “John M. Richardson,” <https://www.boeing.com/company/bios/john-m-richardson-bio.page>.

³² Boeing, “Stayce D. Harris,” <https://www.boeing.com/company/bios/stayce-d-harris-bio.page>.

Council and was his deputy national security advisor for Iraq and Afghanistan.³³ Another board member, Robert O. Work, formerly served as Deputy Secretary of Defense and undersecretary of the U.S. Navy during the Obama administration.³⁴ Lastly, board member James A. Winnefeld, Jr. is a retired four-star admiral, was the ninth vice chairman of the Joint Chiefs of Staff, and the former commander of U.S. Northern Command.³⁵ The head of Raytheon's Global Government Relations formerly served as staff director of the U.S. House Permanent Select Committee on Intelligence, staff director of the U.S. House Appropriations Committee, and legislative director for former U.S. Representative Jerry Lewis (D-CA).³⁶

General Electric (GE) hired 60 revolving door lobbyists. One of these lobbyists is Jim Dyer, who held senior positions at the U.S. Navy, the U.S. Department of State, and the White House under both Presidents Ronald Reagan and George H. W. Bush.³⁷ Another GE lobbyist is Julie Bertson, a former associate director at the U.S. Department of Transportation.³⁸ At least two other GE lobbyists formerly worked for the Senate Commerce, Science, and Transportation Committee – Robert Chamberlin as Chief Counsel³⁹ and Samuel Whitehorn as former Staff Director.⁴⁰ Another GE lobbyist, Pete Giambastiani, was formerly a special assistant to the deputy undersecretary of the U.S. Navy and Vice Chairman of the Joint Chiefs of Staff.⁴¹

Other high-level military or civilian officials who now work for big contractors include Lockheed Martin board member Jeh C. Johnson, who formerly served as the Secretary of the U.S. Department of Homeland Security and General Counsel for the DoD and the Air Force.⁴² General James N. Mattis formerly served as secretary of defense and commander of the U.S. Central Command, but now sits on General Dynamics' board of directors.⁴³ So too does Rudy F. DeLeon, former Deputy Secretary of Defense and Undersecretary of the Air Force.⁴⁴ At

³³ Raytheon Technologies, "Corporate Governance: Margaret (Meghan) L. O'Sullivan," <https://www.rtx.com/who-we-are/corporate-governance/margaret-l-o-sullivan>.

³⁴ Raytheon Technologies, "Corporate Governance: Robert O. Work," <https://www.rtx.com/who-we-are/corporate-governance/robert-o-work>.

³⁵ Raytheon Technologies, "Corporate Governance: James A. Winnefeld Jr.," <https://www.rtx.com/who-we-are/corporate-governance/james-a-winnefeld-jr>.

³⁶ Raytheon Technologies, "Our Leadership: Jeff Schokey," <https://www.rtx.com/who-we-are/our-leadership/jeff-shockey>.

³⁷ Open Secrets, "Employment History: Jim Dyer," https://www.opensecrets.org/revolving/rev_summary.php?id=33773.

³⁸ Open Secrets, "Employment History: Julie Bertson," https://www.opensecrets.org/revolving/rev_summary.php?id=77142.

³⁹ Open Secrets, "Employment History: Robert Chamberlin," https://www.opensecrets.org/revolving/rev_summary.php?id=32960.

⁴⁰ Open Secrets, "Employment History: Samuel Whitehorn," https://www.opensecrets.org/revolving/rev_summary.php?id=70573.

⁴¹ Open Secrets, "Employment History: Pete Giambastiani," https://www.opensecrets.org/revolving/rev_summary.php?id=74776.

⁴² Lockheed Martin, "Jeh C. Johnson," <https://www.lockheedmartin.com/en-us/who-we-are/leadership-governance/board-of-directors/jeh-johnson.html>.

⁴³ General Dynamics, "Corporate Governance: Board of Directors," <https://investorrelations.gd.com/corporate-governance/board-of-directors/default.aspx#:~:text=Board%20of%20Directors%201%20Phebe%20N.%20Novakovic%20Chairman,Nye%20Director%20and%20Chair%2C%20Audit%20Committee%20More%20items>.

⁴⁴ *Id.*

Northrop Grumman, retired Admiral Gary Roughead, former U.S. Navy Chief of Naval Operations, serves on the board of directors,⁴⁵ alongside retired General Mark A. Welsh, III, former chief of staff of the Air Force.⁴⁶

Federal ethics laws do not prohibit any of these officials from joining corporate boards. These examples provide a snapshot of the frequency with which defense contractors use the revolving door to hire former, high-ranking government and military officials into senior executive or board positions. This practice is widespread in the defense industry, giving, at minimum, the appearance of corruption and favoritism, and potentially increasing the chance that DoD spending results in ineffective weapons and programs, bad deals, and waste of taxpayer dollars.⁴⁷

IV. Conclusion

This investigation highlights the need for a legislative and regulatory overhaul to finally stop the DoD revolving door from spinning out of control – and Senator Warren’s *Department of Defense Ethics and Anti-corruption Act* would do just that. This legislation would impose a four-year ban on giant contractors from hiring DoD officials and prevent them from hiring former DoD employees who managed their contracts.⁴⁸ The Act would also require defense contractors to submit detailed annual reports to DoD regarding former senior DoD officials who are subsequently employed by contractors.⁴⁹ The Act also bans senior DoD officials from owning any stock in a major defense contractor and bans all DoD employees from owning any stock in contractors if the employee can use their official position to influence the stock’s value.⁵⁰ Lastly, the Act raises the recusal standard for DoD employees by prohibiting them from participating in *any* matter that affects the financial interests of their former employer for four years.⁵¹

These safeguards would slow the revolving door, improving government ethics, and bolstering the integrity of the DoD contracting process – actions that, as this investigation demonstrates, are desperately needed.

⁴⁵ Northrop Grumman, “Company Leadership – Gary Roughead,” <https://www.northropgrumman.com/who-we-are/leadership/gary-roughead/>.

⁴⁶ Northrop Grumman, “Company Leadership – Mark Welsh,” https://www.northropgrumman.com/who-we-are/leadership/mark-welsh/?gclid=CjwKCAjw6IiiBhAOEiwALNqncfyEaE4dYs9EoitnO70scALsRSBedRVaTWhoLG85USBM1VIwAFcF5BoCCIEQAvD_BwE.

⁴⁷ Project on Government Oversight, “Brass Parachutes: Defense Contractors’ Capture of Pentagon Officials Through the Revolving Door,” November 5, 2018, https://s3.amazonaws.com/docs.pogo.org/report/2018/POGO_Brass_Parachutes_DoD_Revolving_Door_Report_2018-11-05.pdf.

⁴⁸ Senator Elizabeth Warren and Representative Jackie Speier, “One Pager: Department of Defense Ethics and Anti-Corruption Act of 2019,” www.warren.senate.gov/imo/media/doc/DoD%20Ethics%20and%20Anti-Corruption%20Act%20One-Pager%20FINAL.pdf.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*