

January 17, 2025

Mr. Pete Hegseth
Secretary-Designate, U.S. Department of Defense
Trump-Vance Transition Team
P.O. Box 509
Arlington, VA 22216

Dear Mr. Hegseth:

Congratulations on your nomination to serve as Secretary of Defense. If you are confirmed, the American people will depend on you to direct the Department of Defense's (DoD) nearly trillion-dollar budget in the interest of the American people.¹ However, given your household's ownership of stock in several defense contractors and your unwillingness at your confirmation hearing to commit to post-employment restrictions,² I am concerned that you will enter this role with serious conflicts of interest. I request that you mitigate those conflicts by agreeing to the following: (1) you and your wife should divest from any stock in defense contractors, (2) you should decline to join a defense contractor for 10 years after leaving office, (3) you should commit to not engaging in lobbying activities focused on DoD (or any of its components) for four years after leaving office, and (4) you should recuse yourself from any particular matters involving Fox News or other former employers or clients.

During the Biden Administration, several appointees mitigated concerns about their potential conflicts of interest by going beyond what was required under ethics law, the presidential ethics pledge, and even agreements with the Office of Government Ethics and the Designated Agency Ethics Officials. During the first Trump administration, Defense Deputy Secretary Patrick Shanahan also agreed to go beyond what was required by law and set up a screening process to mitigate conflicts of interest.³ Likewise, I urge you to voluntarily commit to steps to mitigate your conflicts of interest to assure the American people that you will serve at DoD in their interest.

¹ U.S. Senate Armed Services Committee, "Summary of the Fiscal Year 2025 National Defense Authorization Act," December 18, 2024, p. 1, <https://www.armed-services.senate.gov/download/fy25-ndaa-conference-executivesummary>.

² U.S. Office of Government Ethics, Executive Branch Personnel Public Financial Disclosure Report OGE Form 278e for Secretary of Defense Nominee Pete Hegseth, January 13, 2025, pp. 10-12, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/\\$FILE/Hegseth%2C%20Pete%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/$FILE/Hegseth%2C%20Pete%20%20final278.pdf); Senate Committee on Armed Services, "To Conduct a Confirmation Hearing on the Expected Nomination of Mr. Peter B. Hegseth to be Secretary of Defense," January 14, 2025, 3:05:13, <https://www.armed-services.senate.gov/hearings/to-conduct-a-confirmation-hearing-on-the-expected-nomination-of-mr-peter-b-hegseth-to-be-secretary-of-defense>.

³ U.S. Department of Defense Office of the Secretary of Defense, "Memorandum for Designated Agency Ethics Official: Updated Screening Arrangement," January 7, 2019, [https://www.esd.whs.mil/Portals/54/Documents/FOID/Proactive disclosures/Mr Shanahan Screening Arrangement Update%20 \(01.08.19\).pdf?ver=2019-03-22-120845-537](https://www.esd.whs.mil/Portals/54/Documents/FOID/Proactive%20disclosures/Mr%20Shanahan%20Screening%20Arrangement%20Update%20(01.08.19).pdf?ver=2019-03-22-120845-537).

First, I ask that you and your wife divest from any stock in defense contractors. DoD has made clear that your spouse's stock holdings are relevant to evaluations of your conflicts of interest and divestment requirements.⁴ Your wife owns as much as \$15,000 worth of stock in two of DoD's top 10 largest contractors: Northrop Grumman Corporation and Lockheed Martin Corporation.⁵ If those holdings ever exceed the *de minimis* threshold of \$15,000, you will be required to divest — but should do so voluntarily now, given that those holdings present clear conflicts of interest.⁶ Your wife also owns stock in top-100 defense contractors — including Honeywell International, IBM, and Microsoft — and other companies with large DoD contracts over \$25,000 (or with subsidiaries that have such contracts) — including Oracle, Google, Thermo Fisher Scientific, T-Mobile, Mastercard, Danaher Corporation, and Pepsi.⁷ Some of your household's holdings in these large defense contractors (such as Google, Oracle, T-Mobile) exceed the *de minimis* threshold of \$15,000 — and prior rules would have required divesting from them.⁸ These holdings reasonably raise doubts about whether you may be making decisions at least in part to protect your household's stock holdings, rather than purely in the interest of the American people. The risk of a conflict is not theoretical; some of these contractors have settled allegations that they overbilled DoD to the tune of millions of

⁴ U.S. Department of Defense Standards of Conduct Office, "Overview of Stock Divestiture Requirements Under 10 U.S.C. § 988," November 2, 2023, <https://dodsoco.ogc.osd.mil/Portals/102/Documents/Issuances/SOCO%20Advisories/2023/SOCO%20Advisory%2023%2005%20Divestiture%20under%2010%20USC%20988.pdf?ver=KTXqT2DVNk4cZr9nzY6zWA%3D%3D#:~:text=Historically%2C%20the%20Senate%20Armed%20Services,of%20contract%20funds%20by%20the>.

⁵ Department of Defense, Standards of Conduct Office, "CY 2024 -25 FIVE YEAR DOD TOP 10 CONTRACTOR LIST: (FY 2019-2023)," https://dodsoco.ogc.osd.mil/Portals/102/Documents/Conflicts/CY2024_25%20Five%20Year%20Top%2010%20List%20FY19_23.pdf?ver=rL7rlfBOc7HDK3bqt0lYaw%3D%3D; U.S. Office of Government Ethics, Executive Branch Personnel Public Financial Disclosure Report OGE Form 278e for Secretary of Defense Nominee Pete Hegseth, January 13, 2025, p. 11, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/\\$FILE/Hegseth%2C%20Pete%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/$FILE/Hegseth%2C%20Pete%20%20final278.pdf).

⁶ 10 U.S.C. § 988; Letter from Pete Hegseth to Alternate Designated Agency Ethics Official Dani Irvine, January 10, 2025, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/1CE0D43F64986B4885258C11005A168E/\\$FILE/Hegseth%2C%20Pete%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/1CE0D43F64986B4885258C11005A168E/$FILE/Hegseth%2C%20Pete%20%20finalEA.pdf).

⁷ U.S. Office of Government Ethics, Executive Branch Personnel Public Financial Disclosure Report OGE Form 278e for Secretary of Defense Nominee Pete Hegseth, January 13, 2025, pp. 10-12, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/\\$FILE/Hegseth%2C%20Pete%20%20final278.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/BA2811A174F47D3385258C11005A053B/$FILE/Hegseth%2C%20Pete%20%20final278.pdf); U.S. Department of Defense Standards of Conduct Office, "CY 2024-25 Top 100 Defense Contractors by Global Vendor Name (FY 23)," p. 1, https://dodsoco.ogc.osd.mil/Portals/102/Documents/Conflicts/CY%202024_25%20Top100%20Contractor%20List%20Alpha%20FY23.pdf?ver=b3nJmMMhJc0XgMPzILIG1A%3D%3D; U.S. Department of Defense Standards of Conduct Office, "DOD Vendors with Contracts over \$25,000.00," pp. 341, 199, 462, 465, 292, 130, and 354, January 2024, <https://dodsoco.ogc.osd.mil/Portals/102/Documents/Conflicts/2024%2025K%20FY2023.pdf>.

⁸ U.S. Department of Defense Standards of Conduct Office, "Senate Armed Services Committee Policies for Civilian and Military Nominees," February 22, 2021, <https://dodsoco.ogc.osd.mil/Portals/102/Documents/Conflicts/Toolbox%20Conflicts/SASC%20Divestiture%20Policies%20Civ%20and%20Mil%20Feb%202021.pdf?ver=AjQy7GecgybqN8qPMEEgew%3D%3D>; The Washington Post, "Senate panel ban on stock for appointees but not itself seen as double standard," Scott Higham, Kimberly Kindy, and Dan Keating, December 18, 2010, https://www.washingtonpost.com/politics/senate-panel-ban-on-stock-for-appointees-but-not-itself-seen-as-double-standard/2012/02/06/gIQAGA6euQ_story.html.

dollars.⁹ Such fraud hurts DoD yet benefits your household’s stock portfolio. Your household should divest from all defense contractor stock (including holdings below the *de minimis* threshold) to avoid these actual or apparent conflicts of interest.

Second, I ask that you commit to not seeking employment with or any compensation from a defense contractor for years after leaving office. In your 2024 book *War on Warriors*, you advocated that “[n]o general in the United States military should be allowed to work in the defense industry for *ten years* after they retire” (emphasis added).¹⁰ You explained that military generals should not “serve other masters,” such as “opportunistic defense contractors,” rather than the American people and the Constitution.¹¹ When military leaders expect to cash in on their government service by joining a defense contractor after leaving DoD, it leads to questions about the extent to which they made contracting, policy, and programmatic decisions that benefitted defense contractors more than U.S. national security. And once employed by a defense contractor, many leverage their DoD relationships to help the contractors get lucrative contract deals.¹² Given the immense influence you would have as the Secretary of Defense — far more than any single general — you would raise an unparalleled risk of conflicts of interest (or the appearance thereof) if you joined a defense contractor after your government service ends. You should assure the American people that you will not retire and “collect a pension and a sweet job from Lockheed Martin” for at least ten years after leaving government service — the same standard you have urged for the generals you would supervise.¹³

Numerous recent military leaders have voluntarily agreed to not work for defense contractors, namely Secretary of Defense Lloyd Austin III¹⁴ and General Charles C.Q. Brown, the Chairman of the Joint Chiefs of Staff.¹⁵ Furthermore, other Biden appointees have voluntarily agreed to a cooling-off period before working at the industries they engage with in government, including: U.S. Mission to the Organization for Economic Cooperation and Development (OECD) Ambassador Sean Patrick Maloney, who agreed to not work for the crypto industry, and members of the Federal Reserve Board

⁹ United States Attorney’s Office, Southern District of California, “Northrop Grumman Subsidiary Agrees to Pay \$31.65 Million for Overbilling U.S. Air Force in Civil and Criminal Settlements,” press release, November 2, 2018, <https://www.justice.gov/usao-sdca/pr/northrop-grumman-subsidiary-agrees-pay-3165-million-overbilling-us-air-force-civil-and-criminal-settlements>; United States Attorney’s Office, District of Maryland, “Laboratory Corporation of America Agrees to Pay \$2,100,000 to Settle False Claims Act Allegations Related to Overbillings on Department of Defense Contracts,” press release, March 27, 2023, <https://www.justice.gov/usao-md/pr/laboratory-corporation-america-agrees-pay-2100000-settle-false-claims-act-allegations>.

¹⁰ Pete Hegseth, *The War on Warriors: Behind the Betrayal of the Men Who Keep Us Free*, Fox News Books, 2024, p. 44.

¹¹ *Id.*, p. 41.

¹² Project on Government Oversight, “The Pentagon’s Revolving Door Keeps Spinning: 2021 in Review,” Ryan Summers, January 20, 2022, <https://www.pogo.org/analysis/the-pentagons-revolving-door-keeps-spinning-2021-in-review>; Office of U.S. Senator Elizabeth Warren, “Pentagon Alchemy: How Defense Officials Pass Through the Revolving Door and Peddle Brass for Gold,” April 26, 2023, <https://www.warren.senate.gov/imo/media/doc/DoD%20Revolving%20Door%20Report.pdf>.

¹³ Pete Hegseth, *The War on Warriors: Behind the Betrayal of the Men Who Keep Us Free*, Fox News Books, 2024, p. 44.

¹⁴ Office of U.S. Senator Elizabeth Warren, “In Response to Senator Warren’s Questions, Secretary of Defense Nominee General Lloyd Austin Commits to Recusing Himself from Raytheon Decisions for Four Years,” press release, January 19, 2021, <https://www.warren.senate.gov/newsroom/press-releases/in-response-to-senator-warrens-questions-secretary-of-defense-nominee-general-lloyd-austin-commits-to-recusing-himself-from-raytheon-decisions-for-four-years>.

¹⁵ Office of U.S. Senator Elizabeth Warren, “At Hearing, Warren Secures Ethics Commitment Joint Chiefs of Staff Nominee General Brown; Reiterates Concern over Senior Military Holds,” press release, July 11, 2023, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-secures-ethics-commitment-joint-chiefs-of-staff-nominee-general-brown-reiterates-concern-over-senior-military-holds>.

of Governors, such as Lisa Cook and Philip Jefferson, and the Federal Reserve Vice Chair for Supervision, Michael Barr, who agreed to not work for a financial services company.¹⁶

Relatedly, you should commit to not engaging in lobbying activities focused on DoD (or any of its components) for at least four years after leaving office. The rampant revolving door of former government leaders lobbying the agencies they once led, while their government relationships remain fresh, erodes Americans' faith in the federal government. To mitigate that concern, multiple past appointees have agreed to a four-year lobbying ban, including Treasury Assistant Secretary for Investment Security Paul Rosen and Chairman of the Joint Chiefs of Staff Charles Q. Brown, Jr., while Defense Secretary Lloyd Austin agreed to a permanent lobbying ban.¹⁷ Your commitment should include work either as a formal registered lobbyist or an informal "shadow" lobbyist, given that former high-level officials can leverage their influence not only by directly lobbying but through facilitating others to do so.¹⁸

Finally, I ask that you commit to recuse from all particular matters involving Fox News (such as decisions about press access or purchases of recruiting advertisements) and any other former employers or clients for four years. Your relationships with former lobbying clients will raise serious doubts about your impartiality if you participate in decisions about enforcement actions and other matters that involve them. Several Biden appointees voluntarily agreed to recuse from their former clients' specific-party matters for four years, without seeking waivers — going beyond the two-year recusal requirement in President Biden's ethics pledge.¹⁹ You should agree to recuse from Fox

¹⁶ Office of U.S. Senator Elizabeth Warren, "Warren Secures Unprecedented Ethics Commitments from OECD Ambassador Nominee; former Congressman Sean Patrick Maloney Pledges Not to Work for Crypto Firms for Four Years After Government Service," press release, February 14, 2024, <https://www.warren.senate.gov/newsroom/press-releases/warren-secures-unprecedented-ethics-commitments-from-oecd-ambassador-nominee-former-congressman-sean-patrick-maloney-pledges-not-to-work-for-crypto-firms-for-four-years-after-government-service>; Office of U.S. Senator Elizabeth Warren, "At Hearing, Senator Warren Announces Strong Ethics Commitments from Federal Reserve Vice Chair for Supervision Nominee Michael Barr," press release, May 19, 2022, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-senator-warren-announces-strong-ethics-commitments-from-federal-reserve-vice-chair-for-supervision-nominee-michael-barr>; Office of U.S. Senator Elizabeth Warren, "In Response to Senator Warren, Federal Reserve Nominees Make Historic Ethics Commitments," February 10, 2022, <https://www.warren.senate.gov/newsroom/press-releases/in-response-to-senator-warren-federal-reserve-nominees-make-historic-ethics-commitments>.

¹⁷ Response to Questions from Senator Elizabeth Warren to Mr. Paul M. Rosen, April 6, 2022, [on file with the Office of U.S. Senator Elizabeth Warren]; Office of U.S. Senator Elizabeth Warren, "At Hearing, Warren Secures Ethics Commitment Joint Chiefs of Staff Nominee General Brown; Reiterates Concern over Senior Military Holds," press release, July 11, 2023, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-warren-secures-ethics-commitment-joint-chiefs-of-staff-nominee-general-brown-reiterates-concern-over-senior-military-holds>; Office of U.S. Senator Elizabeth Warren, "In Response to Senator Warren's Questions, Secretary of Defense Nominee General Lloyd Austin Commits to Recusing Himself from Raytheon Decisions for Four Years," press release, January 19, 2021, <https://www.warren.senate.gov/newsroom/press-releases/in-response-to-senator-warrens-questions-secretary-of-defense-nominee-general-lloyd-austin-commits-to-recusing-himself-from-raytheon-decisions-for-four-years>.


¹⁸ ProPublica, "Trump's Appointees Pledged Not to Lobby After They Leave. Now They're Lobbying," Derek Kravitz and Alex Mierjeski, May 3, 2018, <https://www.propublica.org/article/trump-appointees-pledged-not-to-lobby-after-they-leave-now-lobbying>; Mother Jones, "Former Trump Officials Signed a Pledge to Avoid Lobbying. At Least 33 of Them Have Found a Way Around It," Derek Kravitz, February 17, 2019, <https://www.motherjones.com/politics/2019/02/former-trump-officials-signed-a-pledge-to-avoid-lobbying-at-least-33-of-them-have-found-a-way-around-it/>.

¹⁹ See, e.g., Office of Senator Elizabeth Warren, "In Response to Senator Warren, FDA Commissioner Nominee Dr. Robert Califf Makes Strongest Ethics Commitments of Any Senior Biden Administration Official," press release, January 31, 2022, <https://www.warren.senate.gov/newsroom/press-releases/in-response-to-senator-warren-fda-commissioner->

News's particular matters for four years, including particular matters of general applicability that have a direct and predictable effect on Fox, regardless of whether your spouse (a Fox News employee²⁰) participates in the matter. You should do the same for other former employers and clients, and further agree to not seek a waiver of this recusal requirement.

By making these commitments, you would increase Americans' trust in your ability to serve the public interest, rather than the special interests of defense contractors, during your time at DoD. I urge you to demonstrate a commitment to public integrity and request that you reply in writing by Monday, January 20, 2025 regarding these ethics commitments.

Sincerely,



Elizabeth Warren
United States Senator

[nominee-dr-robert-califf-makes-strongest-ethics-commitments-of-any-senior-biden-administration-official](#); Office of Senator Elizabeth Warren, "At Hearing, Senator Warren Announces Strong Ethics Commitments from Federal Reserve Vice Chair for Supervision Nominee Michael Barr," press release, May 19, 2022, <https://www.warren.senate.gov/newsroom/press-releases/at-hearing-senator-warren-announces-strong-ethics-commitments-from-federal-reserve-vice-chair-for-supervision-nominee-michael-barr>; The White House, "Executive Order on Ethics Commitments by Executive Branch Personnel," January 20, 2021, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-ethics-commitments-by-executive-branch-personnel/>.

²⁰ Letter from Pete Hegseth to Alternate Designated Agency Ethics Official Dani Irvine, January 10, 2025, p. 2, [https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/1CE0D43F64986B4885258C11005A168E/\\$FILE/Hegseth%2C%20Pete%20%20finalEA.pdf](https://extapps2.oge.gov/201/Presiden.nsf/PAS+Index/1CE0D43F64986B4885258C11005A168E/$FILE/Hegseth%2C%20Pete%20%20finalEA.pdf).