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PROJECT ON GOVERNMENT OVERSIGHT

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Dear CDI Supporters,

For more than 50 years, the Center for Defense Information has been fighting for the most effective and pragmatic national security policy possible, regardless of politics, partisanship, or parochial interests.

This institution has witnessed the rise and fall of many strategic assumptions about what was necessary to keep Americans safe, about what weapons were needed to defeat our enemies, and what wars must be fought to further America's interests around the globe.

All of these have changed with time, and many of those assumptions have proven to be more of a burden to Americans than they ever were a benefit.

Now the United States and our allies are entering a new and tumultuous period in our history. Twenty-plus years of constant warfighting has led to faulty national security policies veiled in political slogans, while policymakers have become increasingly willing to shed the mechanisms of oversight and accountability from our national security process in favor of just throwing more money at the problem.

Unfortunately, this is all coming at a time when we are seeing rising threats, both perceived and real, from "near-peer" adversaries like Russia and China. Our military and industrial leaders have already chosen to turn their backs on the lessons of the past two decades of "small wars" in favor of preparing to fight new, large scale, conventional ones, which many claim will require a whole new generation of big budget weapons and platforms.

Unfortunately, the Pentagon has already proven itself ill prepared to build new weapon systems within budget and on time. Many of the largest defense programs of the past twenty years have been abject failures, even while the United States continues to spend more money on defense than the next nine nations combined, including Russia and China, with even more money being added to the Pentagon's budget yearly by Congress.

Leaving us with a startling question: Have we really bought any more defense with all of that extra money?

This is why CDI's mission and legacy remain so critical today.

With your support, our experts and advocates are digging into new weapons systems, analyzing Pentagon budgets, and educating Members of Congress who want to exercise some real oversight on how the largest part of our discretionary budget is being spent.

I hope that this issue of the Defense Monitor can give you some insight into the work that your support makes possible. This issue focuses on some of the systemic accountability reforms we pursued in 2022, in order to reinforce the guardrails that protect American taxpayers from those more concerned about their quarterly returns than the state of our national security. In the months ahead, I look forward to sharing more with you about our plans to investigate issues such as U.S. Navy shipbuilding and the role of new nuclear weapons in our national security.

Thank you for all that you have done to help this organization over the years. I hope that you will continue your support as we take on new challenges and work to shape a more responsible, accountable, and effective national security policy.

Regards,

Geoff Wilson

Director, Center for Defense Information

(ILLUSTRATION: RENZO VELEZ / POGO)

Representatives are Too Invested in Defense Contractors

BY DYLAN HEDTLER-GAUDETTE
& NATHAN SIEGEL

As Congress considers two monumentally important pieces of legislative business — the annual defense policy bill and a historic reform to congressional ethics rules — it is worth taking some time to consider just how deep the potential for corruption goes in both these areas and how they intersect with one another. In other words, congressional corruption and ethical failings are inextricably linked to the military-industrial-congressional complex — the unhealthy intersection between Congress and the defense sector. This situation calls for serious reforms, and Congress is the only stakeholder that can make that happen.

A COZY RELATIONSHIP

There are few examples that better

highlight the ethical dysfunction in Congress than the excessively cozy relationship between policymakers and the defense industry. Each year, including this one, members of the House and Senate armed services committees and the House and Senate appropriations committees craft the policy and allocate the hundreds of billions of taxpayer dollars that fund the Pentagon. The National Defense Authorization Act (NDAA) is the primary vehicle for defense policy. The accompanying appropriations bill allocates the money to operationalize the policy laid out in the NDAA. To put this in perspective, consider that the defense budget now clocks in at more than \$800 billion and the Pentagon allocated \$420 billion in contracts in fiscal year 2020 — over half the total defense budget and a contract dollar amount larger than every other federal agency combined.

In light of the scale and scope of defense spending, reasonable observers could be forgiven for assuming there might be some prudential rules in place to prevent corruption when it comes to Congress's work regarding the defense industry. Unfortunately, there are virtually no such rules. In fact, the current framework around congressional conflicts of interest and campaign finance regarding industry relationships is so permissive as to all but guarantee the perversion of the policymaking process in this area.

There are few, if any, rules in place that restrict or prohibit members of Congress who sit on committees that oversee and legislate defense policy from holding direct personal financial stakes in defense companies, including through the ownership of stock. This means there is nothing stopping members of the House and Senate armed services committees (as well

as each chamber's respective defense subcommittee of the appropriations committee) from directly tying their own personal financial interests to the financial interests of defense contractors, all while passing laws that would steer billions of tax dollars to those very same companies. Again, these contracts total hundreds of billions of dollars each year.

This scenario is not hypothetical. There are more than a dozen members of Congress who own stock or have some other direct financial investment in the defense industry while sitting on committees related to appropriations and defense, according to data compiled by OpenSecrets and Smart Insider. Representative Hal Rogers (R-KY) of the House Appropriations Defense Subcommittee, Representative Ro Khanna (D-CA) of the House Armed Services Committee, Senators Dianne Feinstein (D-CA) and Susan Collins (R-ME) of the Senate Appropriations Defense Subcommittee, and Senators Tommy Tuberville (R-AL) and Gary C. Peters (D-MI) of the Senate Armed Services Committee represent just a few of the coterie who have recently owned stocks that could be considered a conflict of interest given their positions.

It goes without saying that this reality alone poses a clear risk of corruption and of muddying the defense policymaking process. Defense policy is supposed to be aimed toward promoting national security and long-term strategic stability, not the pecuniary wellbeing of a few lawmakers and the profits of an even narrower set of defense companies. But even in the absence of any impropriety, the mere appearance of these conflicts of interest feeds into a cynical and disaffected public perception of how

Congress works and whose interests it furthers.

A CASH COW FOR CONGRESSIONAL COMMITTEES

Defense companies are active participants in the military-industrial-congressional complex and its many corrosive effects. Each election cycle sees the defense industry making millions of dollars in campaign contributions to top congressional leaders and key lawmakers, including some of the same members of the pivotal defense-related committees mentioned earlier, according to data compiled by OpenSecrets. Tracking donations from political action committees (PACs) to campaigns in 2020, Raytheon gave around \$790,000 to members of defense committees, including individual checks of \$18,000 to Representative Joe Courtney (D-CT), \$17,000 to Representative Anthony Brown (D-MD), and \$18,500 to Senator Mitch McConnell (R-KY) according to OpenSecrets Data.

Also in 2020, L3Harris donated around \$624,000 to members of defense committees, including individual checks of \$20,000 to multiple members of the relevant House committees, including Representatives Michael Turner (R-OH), Ken Calvert (R-CA), Elise Stefanik (R-NY), Donald Norcross (D-NJ), Derek Kilmer (D-WA), Charlie Crist (D-FL), C.A. Dutch Ruppersberger (D-MD), Anthony Brown (D-MD), and Adam Smith (D-WA) according to OpenSecrets data. Some of these members hold critically important positions on the relevant committees, including Smith, chairman of the House Armed Services Committee.

After Raytheon and L3Harris, the rest of the top ten defense companies

donating campaign cash were Lockheed Martin, Northrop Grumman, General Dynamics, BAE Systems, General Atomics, Huntington Ingalls Industries, Boeing, and Leidos. These companies lined members' campaign coffers with millions of dollars in PAC funding. In fact, Representative Sara Jacobs (D-CA) appears to be the only member of any defense committee who has not received defense PAC funds in any of the last three campaign cycles, and she only began her time in Congress last year.

Receiving campaign donations directly from the same companies and industries lawmakers are tasked with overseeing creates a looming threat of corruption, further undermining the process of making defense policy and spending public dollars.

An especially noteworthy example of how this nexus between Congress and the defense industry can potentially influence policy and spending involves Representative Mike Rogers (R-AL), the top-ranking Republican on the House Armed Services Committee. Rogers is currently the top recipient of defense industry campaign contributions for the 2022 mid-term election cycle. Rogers was also an outspoken proponent of increasing the defense budget by tens of billions of dollars more than what the Pentagon itself requested. Unfortunately, that more than \$30 billion increase in the defense budget was ultimately adopted by the House Armed Services Committee by a wide and bipartisan margin and remained in the bill when it passed the chamber in mid-July.

The "Golden Amendment" to increase the defense budget by more than \$30 billion was offered by Representative Jared Golden (D-ME), and was supported by 28 Republicans

and 14 Democrats. Several committee members who voted in favor of the topline increase also own, or recently owned, stock or financial assets in the defense industry, including Representatives Blake Moore (R-UT), Mike Gallagher (R-WI), Mo Brooks (R-AL), Pat Fallon (R-TX), and Robert Wittman (R-VA). Committee members who voted in favor of the Golden Amendment received 1.72 times more campaign contributions than those who voted against the amendment in the 2022 election cycle, 1.44 times more contributions in the 2020 election cycle, and 1.36 times more contributions in the 2018 cycle.

We shouldn't put the public in the position of constantly needing to check every member's finances for conflicts of interest when legislation is under serious consideration, especially when that legislation implicates the tools and resources that affect national security and the safety of servicemembers, as well as nearly a trillion dollars of the public's money.

SOLUTIONS

Because this is an institutional and bipartisan problem, the solutions must be institutional and bipartisan as well. One commonsense reform that Congress should immediately advance and enact is a flat-out prohibition on members of Congress (and their immediate families) from owning stocks and other financial assets. This would unequivocally eliminate any reasonable questions about whether a member's own stock portfolio is driving their policymaking. The good news is that Congress is currently in the midst of robust negotiations about enacting just this kind of prohibition on owning or trading stock. The bad news is that the 117th Congress does

not have much time left for legislating, and this particular reform effort is in very real danger of failing unless lawmakers act with urgency to get it done before the end of the year.

If Congress fails to enact this much-needed reform, the very least it must do is enact rules, either statutory or internal rules, that create commonsense restrictions on the committee assignments members of Congress can hold. This would prevent any appearance of a conflict between that committee service and a member's campaign contributions or direct financial entanglements with industries and companies they would oversee on those committees. While a cleaner, simpler ban of stock ownership across the board is preferable, at least this kind of contingent prohibition carries the potential to reduce conflicts of interest and corruption at the margins.

To address the potential conflicts of interest created by campaign contributions, there are myriad proposals aimed at addressing outsized and distortionary corporate influence in the electoral context, and they deserve careful consideration by Congress. While POGO has endorsed bills in the past that have, among other things, reversed the Citizens United campaign finance scheme that enabled bottomless dark money spending, we would also encourage Congress to create rules that shed more light into the murky recesses of campaign finance and limit what members can do in terms of raising funds from stakeholders with direct financial interests related to a member's duties.

There are related areas that demand reform, including the revolving door between Congress and the defense industry. It is all too common for former members of Congress and

staffers on committees related to the defense industry to immediately transition to employment with a defense firm, or to begin work as a lobbyist or consultant for defense firms before returning to Congress again (in the case of staffers, at least). This phenomenon calls into question the incentives and interests of congressional staffers and members on defense-related committees when they may be eyeing more lucrative employment with the sectors and companies they are ostensibly overseeing and regulating. It's worth considering stronger rules surrounding cooling-off periods — the mandatory wait time between holding official positions and accepting employment with a related industry or company — and restrictions on employment-related communications between officials or staffers and potential future employers.

CONCLUSION

Congress has a massive challenge ahead in trying to regain public trust. The military-industrial-congressional complex is a particularly glaring, odious example of how a lack of congressional ethics standards surrounding stock trading and campaign contributions and the resultant public distrust in Congress plays out. If Congress wants to serve as a responsible steward of both the people's trust and their money, smashing the stranglehold of the military-industrial-congressional complex is a fine place to start. ■

This piece was first published in August 2022. The original and its sources can be found at pogo.org/too-invested-in-contractors

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Inflation Bailout or Baloney?

(ILLUSTRATION: BENZO VELEZ / POGO)

Senate Increases Military Contract Funding, to Industry's Delight

Senators Approve Proposal to Authorize Inflation-Related Adjustments to Existing Pentagon Contracts

BY JULIA GLEDHILL

This month, the Senate delivered military contractors the inflation bailout they've been begging for all year.

Senators adopted an amendment to authorize inflation-related adjustments to existing Pentagon contracts in the National Defense Authorization Act (NDAA), increasing funding for military contractors that have already pocketed one-third to one-half of all defense dollars since 2001.

The defense industry has continually cited inflation to justify more military spending. One group of defense contractors, the National Defense Industrial Association, has justified

such requests for inflation relief by claiming the Department of Defense will lose more than \$110 billion in buying power from fiscal year 2021 to fiscal year 2023.

But the Pentagon has yet to verify that claim, much less publicly advocate for sweeping adjustments to Pentagon contracts because of inflation.

On the contrary, Pentagon Defense Pricing and Contracting Principal Director John Tenaglia has instructed contracting officers to limit such adjustments. While industry backed a legislative proposal to increase prices for what are known as firm fixed price (FFP) contracts, Tenaglia issued official guidance in both May and September pointing out that, according to

the law, companies with FFP contracts must "bear the risk of cost increases, including those due to inflation." He clarified that there is no authority to change the price of an existing FFP contract, unless that contract contains a clause authorizing a price adjustment resulting from an economic factor like unexpected inflation.

There is, however, another pathway to ease the burden on companies at risk of going under — one that preserves guardrails in FFP contracts to prevent companies (making record profits) from abusing contract funding already vulnerable to waste. An earlier Congress established that companies could request contractual relief under certain circumstances. Public Law

85-804 empowers agencies, including the Department of Defense (DOD), to exercise and delegate the authority to modify contracts so long as such action would “facilitate the national defense.” But contractors would have to prove significant financial burden to show that contract adjustments actually strengthen our national defense.

Part 50 of the Federal Acquisition Regulation (FAR) and the Defense FAR Supplement details the rules under which companies that don’t have applicable clauses in their FFP contracts may request extraordinary contractual relief. The government may only grant relief in special cases where companies meet stringent criteria, and even then, relief is limited to available funding. Industry trade associations have been sending letters to Congress requesting inflation relief for months, but there’s virtually no evidence to suggest companies are even requesting extraordinary contractual relief. If the defense industry is hurting badly from inflation, one would expect to find companies pursuing relief from extenuating financial circumstances through a mechanism that already exists.

The simple truth is that the Senate’s move to increase military contract funding is unnecessary, as well as contradictory to Pentagon guidance on managing inflation.

INCREASING PENTAGON WASTE

Contravening existing law to give defense contractors a hand out will inevitably increase the risk of Pentagon waste.

According to the Government Accountability Office, weapon acquisitions are already at high risk. Part of this risk stems from the Pentagon’s insufficient risk assessment of

the industrial base, and its general lack of due diligence prior to advancing acquisition programs. As a result, contractors are over budget and behind schedule more often than not. The DOD has yet to implement open GAO recommendations to address cost overruns and delivery delays in weapon acquisitions, so increasing contract prices only opens up more taxpayer dollars to waste.

Even worse, Pentagon bloat welcomes further corporate price gouging of the military.

Defense corporations already rip off the Pentagon by exploiting accountability loopholes in contracting regulation — loopholes industry lobbyists helped create over the past several decades. In so doing, companies now have greater ability to legally withhold certified cost and pricing data from the Pentagon. According to the FAR, such data is “accurate, complete and current data from offerors to establish a fair and reasonable price.” It is the Pentagon’s best tool to negotiate good contracts because it prevents companies from overcharging the government. The Senate provision to increase military contract funding because of inflation does not require certified cost or pricing data from companies. In fact, it lacks any safeguards against corporate price gouging at all.

Senator Elizabeth Warren (D-MA) questioned industry’s push for contract adjustments even before the Senate approved increased military contract funding. She wrote a letter to Defense Under Secretary for Acquisition and Sustainment William LaPlante, highlighting the risk of industry profiteering in increasing contract prices. She demanded that any companies requesting inflation-related contract

adjustments provide certified cost and pricing data and meet the FAR’s stringent criteria for extraordinary contractual relief. Warren also urged skepticism about industry’s claims of inflationary impacts, pointing out that several of the top 10 military contractors have indicated in recent earnings calls that they “intend to buy back stock or pay cash dividends amounting to over \$20 billion in 2022.” She expressed concern that mechanisms designed to prevent smaller companies from going belly-up are turning into another instrument for industry profiteering.

DECREASING CONTRACTOR ACCOUNTABILITY

By approving contract adjustments, the Senate has put itself on a slippery slope to even more unaccountable military contract spending.

The NDAA provision to increase military contract prices authorizes inflation-related adjustments for the duration of contracts, meaning that inflation bailouts will continue for years to come. The authorization reinforces existing partiality toward FFP contracts — a contract type that theoretically applies to acquisition programs with requirements clearly defined by the Pentagon. But program requirements are not always clearly defined, and industry and the Pentagon may prefer FFP contracts for different reasons. The upside for contractors is that prices are locked in with FFP contracts, a policy that is intended to keep projects on time and within budget. Contractors receive full payment no matter what, even if they (*imagine this*) complete a project under budget or ahead of schedule. In practice, FFP contracts guarantee contractors payments even in cases where contractors overcharge

the Pentagon. The advantage for the Pentagon is that contractors agree to assume maximum risk with FFP contracts, including bearing any unforeseen costs (such as those caused by inflation) absent an applicable clause in their contracts.

Ultimately, increasing military contract prices expands opportunities for contractors to abuse the FFP contract designation, especially without preserving guardrails that prevent price gouging. Contractors knew what they signed up for when they agreed to FFP contracts, but now they expect an industry-wide bailout from Congress without pursuing relief through proper channels.

As noted above, the Pentagon has maintained a restrained view on inflation relief, calling for more information from the defense industry to illustrate need. Pentagon acquisition chief LaPlante has underscored the importance of data-informed contract adjustments, stating in September, “I need data about companies that are either potentially going under or not bidding that are affected by inflation.

Because we need to inform the Congress, we need to inform the Pentagon. I’m convinced there’s real-world examples of people being hurt ... But we need to show the data.” Warren echoed LaPlante’s data requests in her letter to his office, asking several process-oriented and oversight questions regarding any potential inflation-related adjustments to Pentagon contracts.

Still, there is no public evidence of businesses requesting inflation relief from the Pentagon.

LaPlante’s office has said they will respond to Warren’s letter directly, and the Center for Defense Information (CDI) is keen to discover what information the Pentagon may have shared with her office. CDI has submitted a Freedom of Information Act (FOIA) request for all records and communications from LaPlante’s office regarding Warren’s letter, with the hope that such documents will unveil industry data and analysis to justify inflation-related contract adjustments. CDI has not yet received a substantive response to our FOIA request, but will update this piece if

and when we receive documentation of DOD’s response to Warren’s letter.

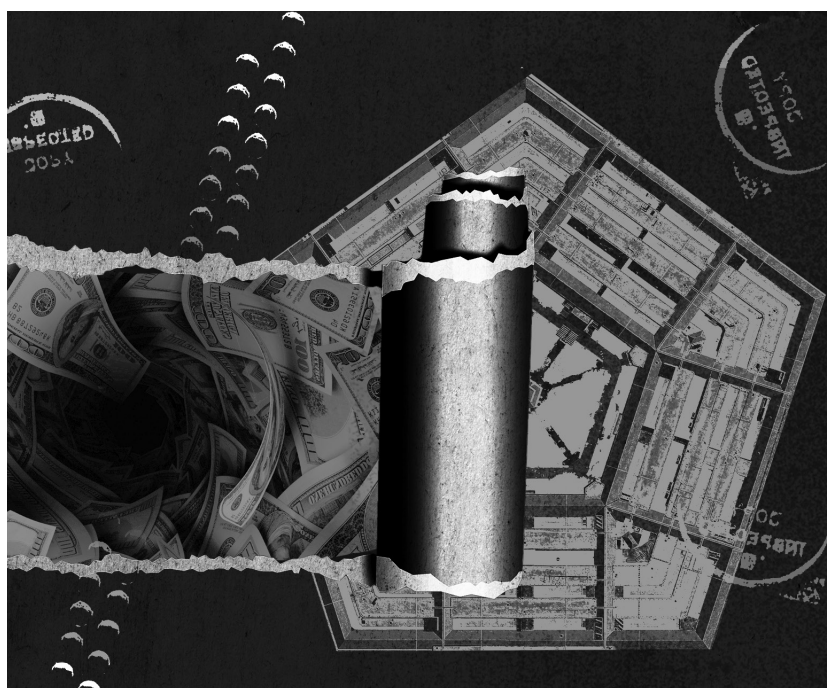
Until then, we have no reason to believe there’s an actual justification for increasing military contract prices due to inflation.

The Pentagon, a member of Congress, and CDI have called on the defense industry to explicitly demonstrate the need for inflation relief on a company level — to no avail.

However, CDI opposes the Senate provision to increase contract prices due to inflation because it counters existing law and Pentagon guidance on managing inflationary impacts on contracts. The provision will only result in more Pentagon waste and less contractor accountability and should not be included in the final NDAA. ■

This piece was first published in October 2022. The original and its sources can be found at pogo.org/bailout-or-baloney

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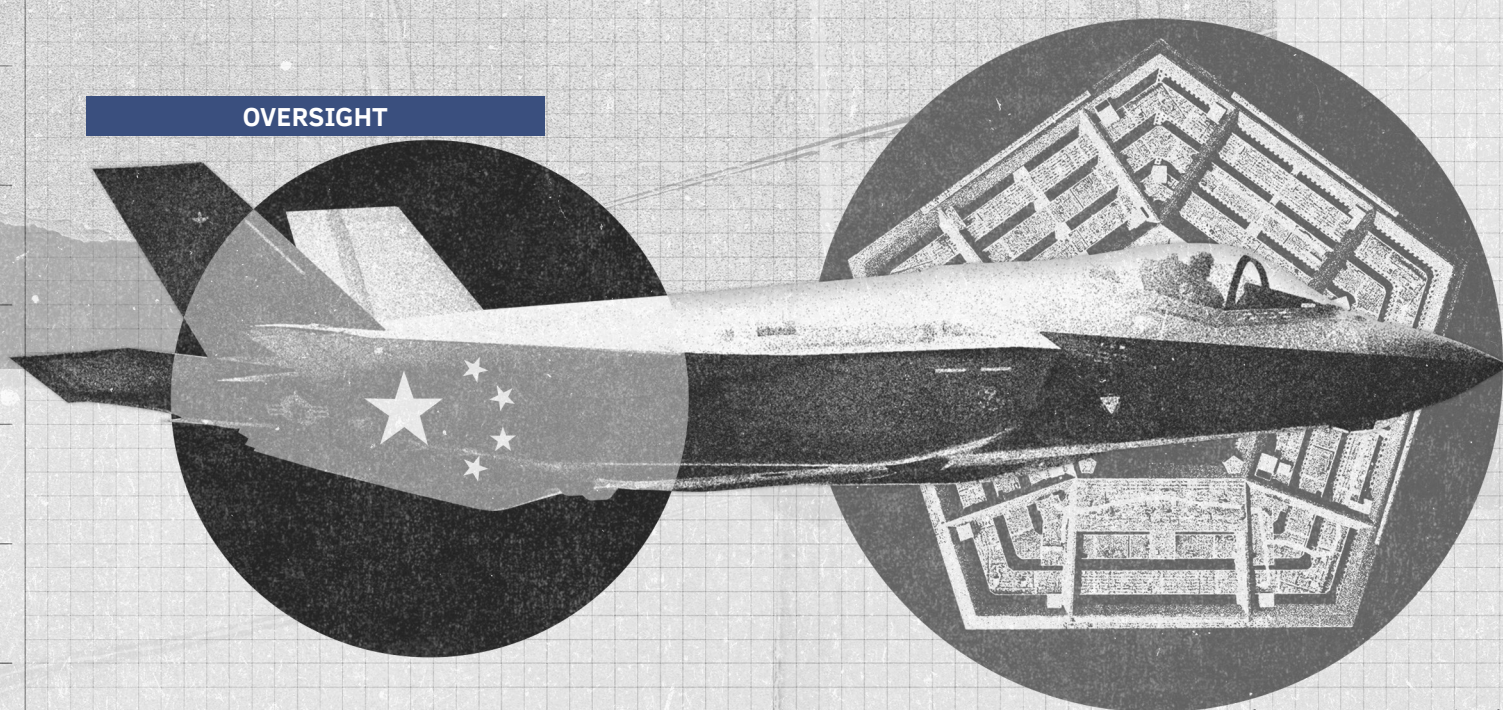


THE BUNKER

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Written by POGO national security analyst Mark Thompson, *The Bunker* is both pro-troop and pro-taxpayer; skeptical but never cynical.

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(ILLUSTRATION: RENZO VELEZ / POGO)

Use of Chinese Material in F-35 Highlights Pentagon's Complexity Problem

BY DAN GRAZIER

Pentagon leaders paused delivery of new F-35s after revealing a supplier used a Chinese-made alloy in a component. The program's complexity created the need for vast numbers of suppliers, which made this development almost inevitable.

A magnetic component inside the F-35 contains an alloy of cobalt and samarium manufactured in China. Pentagon leaders were quick to say the presence of the alloy did not compromise the aircraft since it posed no risk to flight safety and did not transmit any information. While this latest development has received plenty of attention, the presence of Chinese-made com-

ponents, and magnets in particular, is not new to the program. Frank Kendall, while serving as the Pentagon's top acquisitions official during the Obama Administration, signed waivers to include Chinese-made parts in the F-35 in 2012 and 2013.

The overall impact on the F-35 program in this instance may be minimal, but this case highlights an inherent

political purposes sets the conditions for faulty, unwanted, or potentially harmful items to find their way into the final product. The F-35 program's various mission systems, structural components, and ground-based supporting architecture are manufactured by thousands of suppliers around the world. Lockheed Martin, the prime contractor for the F-35 program, boasts

The overall impact on the F-35 program in this instance may be minimal, but this case highlights an inherent problem with almost all modern systems.

problem with almost all modern weapons systems. The complexity of weapons today and the practice of creating as many subcontracts as possible for

on its website that there are more than 1,500 companies worldwide building parts for the program.

The component at issue in this

case, the F-35 turbomachine, illustrates just how complex the supply chain is for even one part. Honeywell manufactures the turbomachine, which provides power when starting the engine. Officials at Honeywell learned about the use of Chinese-made alloy in its product when its supplier of lube pumps reported

of malware is embedded in the firmware of the affected computer's motherboards. The researchers say CosmicStrand uses similar code patterns as other malware strands created by Chinese-speaking cyber attackers.

When the CEO of a defense contractor underestimates his supply chain by a factor of ten, it is hardly

helped Chinese designers develop their own advanced fighter jets, but the information could also be used to exploit cyber vulnerabilities in the program that have existed for years.

Just as disturbing as the discovery of Chinese-made materials in the F-35 is how that lapse was discovered. The Pentagon only learned of the presence of the Chinese alloy because the contractor self-reported. The suspect alloy went undetected by the Defense Contract Management Agency, the office with more than 11,000 employees charged with making sure government contracts are fulfilled to specifications.

Civilian and uniformed military leaders need to ensure all the materials used on the F-35, let alone any other big weapons system, come from trusted suppliers so that everyone can be confident there are not dangers lurking within the enterprise.

That's the short-term need now.

Looking ahead to future programs, designs should be heavily scrutinized to make sure we are not building in the means of our own defeat by loading weapons systems with overly complex and vulnerable technologies. The services should look for the simplest possible tools to perform their missions. If a reliable mechanical system works, it is probably the right solution. It may not be as exciting or sexy as a high-tech digital equivalent, but its supply chain will likely be smaller and provide fewer opportunities for adversarial actors to infiltrate. ■

The suspect alloy went undetected by the Defense Contract Management Agency, the office with more than 11,000 employees charged with making sure government contracts are fulfilled to specifications.

that its supplier of magnets had used the alloy. For those keeping count, the item passed through five different companies to make it into the F-35: the alloy manufacturer, the magnet supplier, the lube pump supplier, Honeywell, and finally the prime contractor Lockheed Martin.

The Pentagon's top acquisition official, Bill LaPlante, admitted how difficult it is for the services and the defense industry to track materials through the supply chain. He told Bloomberg News, "I had [a] CEO tell me two weeks ago that he thought he had 300 suppliers and he discovered when he counted all of the suppliers he probably had 3,000, and suppliers can change overnight."

It may have been just an alloy this time, but the next case could be something far more critical. If the part had been a computer chip, it would have been possible for the manufacturer or an infiltrator to install malicious firmware, which could have catastrophic consequences. This is not mere speculation. Tech researchers discovered in July 2022 a new rootkit malware called CosmicStrand that infects Windows operating systems. This strand

unreasonable to suspect there may be other components of dubious origin lurking inside the F-35. If even one of them is a chip sporting infected firmware, the entire aircraft could be compromised. The program is one of the most networked aircraft in history. One of Lockheed Martin's selling points for the F-35 is its "sensor fusion," referring to the way the onboard systems are linked together to feed all the information gathered to the pilot. That means that if one of those sensors is compromised, malicious software could spread to other onboard systems.

A threat actor would not even have to get an infected chip into the aircraft to cause problems. Because the F-35 needs to connect to a ground-based maintenance and information network to function, a compromised component could reside in any of the servers supporting the program, which could then distribute malware throughout the entire fleet.

We already know the Chinese have compromised the F-35 program. On at least three occasions beginning in 2007, Chinese hackers stole data about it. Pentagon officials believe the thefts

This piece was first published in September 2022. The original and its sources can be found at pogo.org/pentagon-complexity-problem

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State Dept. is Quietly Approving Former Servicemembers' Work for Foreign Interests. That's a Problem.

More than half of all waivers authorize ties with authoritarian regimes

BY JULIENNE MCCLURE

What policymakers and military officials do after they retire from service can be just as important as what they do while they are still working for the United States government. Former flag officers, especially, can play an outsized role in influencing U.S. military and foreign policy once they have retired. Unfortunately, the system of oversight intended to draw clear lines of distinction between when these officials are acting independent experts and when they're acting as agents on the payrolls of foreign interests is not working as it should. Our POGO colleague Julianne McClure recently dug into the issue in a joint effort with the Washington Post. We are proud to share a short excerpt of that work with you:

Over 500 retired and reserve U.S. military personnel have received permission to receive awards or employment from foreign interests after they retire, according to documents obtained by the Project On Government Oversight (POGO). Over half of these waivers were granted so former military officials could work on behalf of United Arab Emirates interests, despite the Emirati government's troubling record of human rights violations.

While the identities of most waiver recipients remain redacted, the emoluments clause waiver program itself raises troubling questions about whether those receiving emoluments from foreign interests have previous professional relationships with foreign countries or plan to seek such relationships following their retirement. If so, can they be counted on to provide advice on national security issues that is in the best interest of the United

States? In some cases, these are public figures working to sway public sentiment that do not identify their relationships with foreign interests.

Under current law, any retired or reserve members of the military wishing to work for a foreign government or receive emoluments (gifts, payments, reimbursements, or something of value from a foreign state) must first obtain approval from the secretary of their military service and then from the Secretary of State. In August 2017, POGO released an investigation revealing high-ranking former military officials — including then-Secretary of Defense James Mattis, former National Security Advisor James L. Jones, and then-White House Chief of Staff John Kelly — had previously requested and received waivers. While Kelly's waiver allowed him to work with the Australian Defense Force, a close U.S. ally, Mattis' and Jones' waivers were to conduct

work on behalf of the government of the United Arab Emirates and Saudi Arabian foreign interests, respectively.

At that time, it was unclear how many other retired or reserve members of the military received permission to receive emoluments from foreign interests. Now, for the first time, these documents provide a closer look at the size and scope of the waiver program.

Currently, the State and Defense Departments may have limited tools to ensure retired military personnel seek the proper waivers to work on behalf of foreign interests. Even so, these retired and reserve military personnel continue to use their expertise to weigh in on matters of U.S. policy and sway public thought. The least these agencies can do for the sake of transparency and accountability is make sure the waivers they do issue are easily accessible to the public. Absent this knowledge, it is impossible for the people to know whether former military personnel are acting solely in the interest of the United States or if they also serve the interests of wealthy foreign clients, including those with questionable human rights records.

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Find out more: Read the rest of Julianne's outstanding report on our website: pogo.org/state-dept-quietly-approving

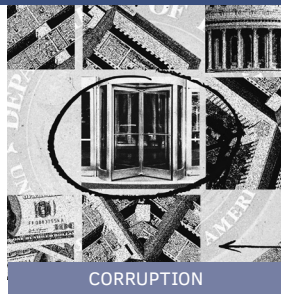


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The Project On Government Oversight (POGO) is a nonpartisan independent watchdog that investigates and exposes waste, corruption, abuse of power, and when the government fails to serve the public or silences those who report wrongdoing. We champion reforms to achieve a more effective, ethical, and accountable federal government that safeguards constitutional principles.

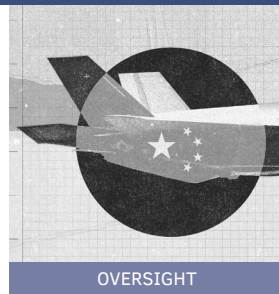
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