



POGO Recommendations to Promote Corporate Accountability, Encourage Fiscal Discipline, and Advance Military Readiness through the NDAA

POGO's Center for Defense Information is committed to advancing a more effective national security policy at a significantly lower cost. We advocate for policies that protect our country and the service members fighting for it, rather than policies that line the pockets of defense contractors. The following proposals would promote corporate accountability, encourage fiscal discipline at the Pentagon, and ultimately advance military readiness.

Close accountability loopholes that permit military contractors to price gouge the Pentagon. Companies have long bamboozled the Pentagon into paying for overpriced equipment and spare parts. In one recent case, TransDigm Group Inc. charged the department [3,850.6% above the reasonable price](#) for a single spare part. Congress should [permanently establish safeguards](#) to ensure the Department of Defense is getting the best goods or services at the best prices. To start, lawmakers should reduce the mandatory disclosure threshold for companies providing certified cost and pricing data and require it from all sole-source contractors.

Reject proposals to plus up the F-35 buy and protect funding to maintain the A-10 fleet.

At a projected cost of [more than \\$1.7 trillion](#) over its lifetime, the F-35 is the [most expensive](#) weapon system program in Pentagon history. But after more than 20 years, all the Pentagon has produced is a [“very expensive prototype.”](#) The A-10 Warthog, on the other hand, is the [most effective, combat-proven close air support aircraft](#) in the world, and its funding comes close to drying up every single year. Instead of wasting more money on the F-35, Congress should ensure that the crews and bases used to maintain the A-10 retain their funding.

Oppose any increases to the president's Pentagon budget.

A national security [budget of \\$813 billion](#) is more than sufficient, and there is no need for lawmakers to raise the defense topline further. Decades of increasing national security budgets hasn't made our country safer or even stopped our adversaries' aggressive actions against our allies: See Russia's invasion of Ukraine. The Pentagon is plagued by rampant mismanagement and waste, as shown by four consecutive years of [financial audit failures](#) — the only years the department completed a full audit at all. The Pentagon's lack of fiscal discipline hampers military readiness, detrimentally affecting national security. Boosting the defense topline would only fuel continued financial mismanagement at the Pentagon.

Eliminate unfunded priorities requirements.

There is no reason the military services and combatant commands can't incorporate necessities into their budget requests, and requiring them to annually produce unfunded priority lists, or “wish lists,” allows the services to bypass the Secretary of Defense and ask Congress directly for more money. But [this process](#) only leads to an unbalanced military force and [encourages poor financial management](#). Congress should stop requiring components of the military to provide lawmakers with an unfunded priority list on an annual basis.

Refine the provision that requires public disclosure of the “beneficial owners” behind companies receiving over \$500,000 in federal grants or contracts.

To better understand who actually profits from Pentagon spending, we must be able to identify the individuals who ultimately own or benefit from a company. Today, however, loopholes in U.S. financial

regulations enable bad actors — including Russian kleptocrats and other sanctioned individuals — to conceal critical beneficial ownership information. The current disclosure provision (Section 885) grants companies significant leeway when it comes to compliance, obscuring some of the individuals who actually benefit from defense spending and undermining the ability to [fight corporate corruption](#). Amending 885 will guarantee improved beneficial ownership disclosures and enforcement mechanisms.

Repeal the 2002 Authorization for Use of Military Force (AUMF).

Congress passed the 2002 AUMF to enable the U.S. invasion of Saddam Hussein's Iraq in 2003. Hussein died in 2006, and the U.S. formally declared the end of the Iraq War in 2011. The 2002 AUMF is clearly outdated, but it's also ripe for abuse by the executive branch to justify future military actions. Congress must reassert its constitutional war powers and [repeal the law](#).

Strengthen oversight mechanisms to prevent waste in the weapon acquisition process and improve acquisition program performance.

Despite an inefficient weapons acquisition process, the Pentagon largely [fails to comply](#) with legal requirements designed to help it trim the fat. Lawmakers must wield the power of the purse to strengthen oversight, force the department's compliance with existing law, and prevent further waste of taxpayer dollars on new, unrealistic acquisition programs.

Protect military whistleblowers.

Servicemember whistleblowers lack [many of the protections](#) afforded to other federal and private whistleblowers. Notably, they face a different burden of proof, one which requires servicemembers to prove that their employer retaliated against them instead of requiring the employer to prove that a personnel action was legally warranted. A great first step to protecting military whistleblowers is for Congress to revise the burden of proof standard for servicemembers. Lawmakers should also provide servicemembers greater accessibility to alternative dispute resolution, a program that allows whistleblowers to control and customize the resolution of their complaint and tends to be faster and less adversarial than formal investigations.

Bolster transparency on private U.S. arms sales by making direct commercial sales public.

The American people pay for the weapons the United States circulates around the globe, and they deserve to know which arms are sent where and in what quantities. Congress should mandate that the Department of State publish, on an annual basis, all notifications of direct commercial sales to Congress.

Slow down the revolving door between the Pentagon and defense industry.

Military contractors [exert undue influence](#) on the Department of Defense, resulting in wasteful spending of taxpayer dollars. Congress should lengthen the cooling-off period for former Pentagon officials entering the defense industry from two to four years and extend the employment restriction to the colonel and equivalent levels. Congress should also require contractors to report hiring former Pentagon officials and restrict retired intelligence officials from working for most foreign governments without explicit permission from the State or Defense departments.

Boost financial transparency in the defense industry.

Taxpayers deserve to know that the Pentagon's acquisition decisions are free of conflicts of interests. Congress must expand stock ownership restrictions for senior Pentagon officials to include companies that receive more than \$1 billion in Pentagon contracts. Defense contractors should also be required to disclose their annual lobbying expenditures and receive board approval for political spending above \$25,000. Lastly, Congress must make public the Pentagon's database containing ethics opinions on senior leaders seeking compensation from defense contractors.