

## **Department of Defense Ethics and Anti-Corruption Act of 2023**

*Senator Elizabeth Warren and Representative Andy Kim*

President Dwight D. Eisenhower called the tight relationship between defense contractors and the Pentagon the “military-industrial complex.”<sup>1</sup> The corrupting influence of the military-industrial complex tilts countless decisions away from legitimate national security interests, and toward the interests of giant defense corporations and contractors that make a profit from taxpayer dollars.

In order to secure lucrative defense contracts, defense contractors often recruit former Department of Defense (DoD) officials through the revolving door to become lobbyists, then use those former officials’ relationships and access to peddle influence at the Pentagon. In 2021, the Government Accountability Office found 14 major defense contractors hired 1,718 high-ranking military and civilian and acquisition officials between 2014 and 2019.<sup>2</sup> About three out of four of those employees went to work for one of DoD’s top five weapons contractors.<sup>3</sup> Another investigation by Senator Warren identified 672 instances of DoD’s top 20 contractors hiring former government officials, military officers, Members of Congress, and senior legislative staff.<sup>4</sup> In 91 percent of those cases, the former official was hired to be a registered lobbyist.<sup>5</sup>

*The Department of Defense Ethics and Transparency Act of 2023* would limit the influence of contractors on the military, constrain foreign influence on retired senior military officers, and assert greater transparency over contractors and their interactions with DoD. The legislation would:

### **Close the Revolving Door and Restrict Contractor Influence.**

- Limits the revolving door between senior DoD officials and industry by imposing a 4-year ban on giant contractors hiring senior DoD officials and on contractors hiring former DoD employees who managed their contract.
- Extends to 4 years the existing prohibition on former military generals lobbying the DoD and expands the restrictions to other senior officials.
- Requires defense contractors to submit detailed annual reports to DoD regarding former senior DoD officials who are subsequently employed by contractors and requires DoD to make those reports public.

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<sup>1</sup> National Archives, “President Dwight D. Eisenhower’s Farewell Address,” January 17, 1961, <https://www.archives.gov/milestone-documents/president-dwight-d-eisenhowers-farewell-address>.

<sup>2</sup> Government Accountability Office, “Post-Government Employment Restrictions: DOD Could Further Enhance Its Compliance Efforts Related to Former Employees Working for Defense Contractors,” September 9, 2021, p. 14, <https://www.gao.gov/assets/720/716461.pdf>.

<sup>3</sup> *Id.* at p. 17.

<sup>4</sup> Senator Elizabeth Warren, “Pentagon Alchemy: How Defense Officials Pass Through the Revolving Door and Peddle Brass for Gold,” April 2023, pp. 2–4, <https://www.warren.senate.gov/imo/media/doc/DoD%20Revolving%20Door%20Report.pdf>.

<sup>5</sup> *Id.* at p. 3.

- Raises the recusal standard for DoD employees by prohibiting them from participating in any matter that might affect the financial interests of their former employer or direct competitor for 4 year.
- Bans senior DoD officials from owning any stock in a major defense contractor that receives more than \$100 million in revenue from DoD contracts.

### **Limit Foreign Influence.**

- Prohibits senior national security officials from working on behalf of foreign governments.
- Prohibits military and civilian intelligence personnel from working on behalf of foreign governments or private entity that operates predominantly on behalf of a foreign government.

### **Ensure Contractor Transparency.**

- Requires large defense contractors to submit a report of their lobbying activities, including who they're meeting with, what they're lobbying about, and what (unclassified) information they're sharing.
- Requires the Secretary of Defense to publish online copies of unclassified DoD contracts. If contracts are worth more than \$10 million, any relevant and available performance history of the contractor will be included.
- Requires publication of contractor evaluation ratings.
- Requires the military services to maintain public websites with the names, biographies, and any associated financial disclosures, as well as DoD Inspector General reports and command climate surveys, regarding all active and reserve component senior military officers.