

Pentagon Transparency and Accountability

Transition Team Memo

Overview

As a presidential candidate, former Vice President Joe Biden has [emphasized](#) the need to move away from investing in irrelevant weapons of the past, or “staying entrenched in unwinnable conflicts that drain our capacity to lead on other issues that require our attention.” He has recommended strategically [shifting away from forever wars](#) that have cost us “untold blood and treasure,” focusing on “the challenges of the next century, not the last one,” and “rebuilding the other instruments of American power.” Further, he has articulated a commitment to instituting “strict conflict-of-interest and anti-corruption policies for every member of the Biden administration so there will be no more self-dealing.” These are ideas that enjoy [broad popular support among the voting public](#).

These ideas are summarized in the [platform](#) adopted at the Democratic National Committee, which condemns the Trump administration’s “wasted billions on vanity projects” and states: “we can maintain a strong defense and protect our safety and security for less. It’s past time to rebalance our investments, improve the efficiency and competitiveness of our defense industrial base, conduct rigorous annual audits of the Pentagon, and end waste and fraud.”

In support of these goals to enhance the Pentagon’s strategic focus, transparency, and accountability, this memo identifies and recommends to the transition team three key principles and concrete action steps in furtherance of those principles.

Principle #1: Address corruption, conflicts of interest, and the revolving door

As the federal agency with the largest discretionary budget, the Department of Defense is susceptible to corporate influence, corruption, and conflicts of interest. The Trump administration has exploited the revolving door to an unprecedented degree. Perhaps the most clear example is Defense Secretary Mark Esper, who joined the government directly from his position as Raytheon’s top lobbyist, [has refused](#) to recuse himself in matters involving his former employer, and has also refused to rule out returning directly to Raytheon or other defense contractors after his time at DOD. Rooting out self-dealing and corruption is key to creating a more transparent and accountable Department of Defense.

Recommendations for Day One:

- The president should not appoint any person to a senior Department of Defense position if that person had lobbied DOD on behalf of commercial interests in the previous two years.
- The president should require all senior defense officials to sign an ethics pledge under oath that addresses both the conflicts of interest of the “reverse revolving door” entering government and the regular “revolving door” upon leaving the government. Incoming DOD officials must pledge to recuse themselves from pursuing official actions in specific issue areas they had lobbied in the previous two years, and must pledge not to take official actions that disproportionately benefit former employers or clients within at least the previous two years of public service. Senior defense officials must also pledge not to conduct any lobbying activities or make lobbying contacts for compensation before the Department of Defense for at least two years after leaving public service.
- No waivers should be granted to circumvent these prohibitions.

Recommendations for the First 100 Days:

- The Pentagon is already required to track its senior officials going to work for defense contractors, though that database has never been made public. The Office of Management and Budget should issue guidance to require defense contractors to report hiring of former senior DOD officials as well as former contractor executives who join DOD, as authorized by the Procurement Integrity Act and make that information public.
- The president should, via Executive Order, require political appointees to disclose all lobbying activities by defense contractors and OMB should create a searchable database of those disclosures. Though lobbyists are currently required to disclose their activities, executive branch officials should be required to make those disclosures as well. The public should be able to see how defense contractors seek to influence Pentagon spending and policies.

Principle #2: Reduce waste and inefficiencies, increase accountability and oversight

There is bipartisan support for identifying and addressing areas of excess, fraud, waste, and abuse within the Pentagon. This is a crucial first step toward making the Pentagon more transparent and accountable.

Recommendations for the First 100 Days:

- In the first budget to Congress, the administration should impose a cap to reduce the Department of Defense’s expenditures on service contracting by 15 percent. The Pentagon employs well over half a million private contractors, many of whom

do jobs that overlap with and could be done more cost effectively by civilian government employees. Hiring private contractors to perform work that would otherwise be done by civilians, or not at all, [increases costs](#). There are [unimplemented recommendations](#) from the Government Accountability Office to address this, including: establishing a rigorous process to better evaluate contractor costs, auditing previous insourcing and outsourcing decisions, evaluating which contractors are truly needed and which are not, and providing adequate funds to carry it out.

- The Department of Defense should seek legislative authority to revert to prior requirements that contracting officers obtain certified cost or pricing information to prevent non-competitive practices and price gouging. Current regulations on what information contracting officers can obtain from contractors enable substantial overcharges, particularly in sole-source contracts. Examples of overcharges include TransDigm making an excessive profit of over 4,000 percent for a single part, and the Army being forced to pay Anham LLC \$71 for a pin that should have cost less than a nickel, and \$80 for a drain pipe segment that should have cost \$1.41. Requiring that government contracting officers obtain this information would avoid future taxpayer ripoffs.
- The Department of Defense should prioritize rigorous financial and contracting audits. The Defense Contract Audit Agency returns [\\$5.50](#) to taxpayers for every dollar it spends, and saved \$3.7 billion last year.
- The administration should include in its first budget sufficient funding for the DCAA to conduct these audits in-house rather than outsourcing them, in order to effectively address rampant price gouging and cost overruns.
- The administration should seek legislation to Revive the Renegotiation Board. This would allow for overseeing and capturing excessive profits for companies that receive \$10 million or more from the Department of Defense.
- The new Secretary of Defense should revive the Obama administration's early requirement that military services and combatant commands brief the Secretary before submitting "unfunded priorities" lists of desired weapon systems to Congress that are not in the Pentagon's official budget presentation, and should also require that those lists include recommended cuts to offset proposed spending increases.
- The administration should increase the power and independence of the Pentagon Inspector General's Office, including appointing someone to lead that office who is qualified and has the experience necessary for that office to be successful.

Principle #3: Make investments in the future, not the past

The Biden campaign has frequently emphasized the need to move away from investing in legacy weapons and staying mired in the conflicts of the past, urging a pivot to forward-facing challenges and solutions. The administrations of Presidents [Obama](#) and [George W. Bush](#) similarly proposed budgets that moved away from irrelevant traditional weapons systems and proposed affirmative cuts to those programs.

In its first proposed budget to Congress, the new Biden administration should, at a minimum, suggest a Pentagon budget that rolls back the Trump administration's increases. This budget should return spending to Obama/Biden-era levels by identifying reductions in spending on tools that are irrelevant and outdated. Potential reductions may include:

- Eliminating the Overseas Contingency Operations account: OCO, which was expanded on the grounds that it would fund foreign wars, has long been misused and abused to pay for projects that have nothing to do with those conflicts. There is [bipartisan consensus](#) that the overseas contingency operations account has become a slush fund for Pentagon programs that have no connection to emergencies or contingencies. Even the Defense Department [has admitted](#) half of that account is being used for “enduring requirements” that should be in the base budget. In line with ending the “forever wars,” this account should be eliminated.
- Phasing Out the Ground-Based Strategic Deterrent (GBSD): The GBSD is a costly and unnecessary next generation Intercontinental Ballistic Missile (ICBM). Its life-cycle cost is [expected to be at least \\$268 billion](#). As former Clinton Administration Secretary of Defense William Perry has noted, ICBMs are among the most dangerous weapons in the world because they must be launched within minutes notice in a crisis, dramatically increasing the risk of an accidental nuclear war. ICBMs should be phased out, as invulnerable submarine-launched ballistic missiles and a small fleet of bombers will be more than enough to dissuade any nation from attacking the United States.
- Stopping the Purchase of New Aircraft Carriers: The new Ford class aircraft carrier, built by Huntington Ingalls for \$13.2 billion, includes a General Atomics launch system that continues to [fail](#) to launch aircraft as designed. In addition, as *Bloomberg* [first reported](#), the ship's toilets clog frequently and can only be cleaned with specialized acids that cost about \$400,000 a flush. The United States should not buy any additional carriers of this class, in line with a reduction in the size of the carrier fleet.
- Canceling the Space Force: The proposed Space Force will create an unnecessary bureaucracy that will cost taxpayers over \$16 billion in fiscal year 2021 alone, and tens of billions more in the coming years, while focusing U.S.

efforts on militarization rather than cooperation in space, increasing the risks to U.S. military and civilian space assets.

- Reducing Spending on Missile Defense: After decades of development and [over \\$250 billion](#) in taxpayer dollars, the United States still doesn't have a missile defense system that can reliably intercept incoming missiles under realistic conditions. Missile defense should be scaled back to a research and testing program, and further deployments of ground-based interceptors should be halted.

National Signatories:

American Friends Service Committee

Beyond the Bomb

Center on Conscience & War

Center for International Policy

Coalition on Human Needs

CODEPINK

Demand Progress

Friends Committee on National Legislation

Greenpeace US

Indivisible

In the Public Interest

Justice Is Global

National Priorities Project and the Institute for Policy Studies

Peace Action

Physicians for Social Responsibility

Public Citizen

Project On Government Oversight (POGO)

The United Methodist Church - General Board of Church and Society

Unitarian Universalists for Just Economic Communities

Union of Concerned Scientists

United Church of Christ, Justice and Witness Ministries

Veterans For Peace

Women's Action for New Directions (WAND)

Win Without War

State and Local Signatories

Massachusetts Peace Action

Nuclear Watch New Mexico

Peace Education Center

PeaceWorks Kansas City

Physicians for Social Responsibility - Kansas City

Southwest Research and Information Center

Tri-Valley CAREs (Communities Against a Radioactive Environment)