United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510–6250

November 19, 2009

The Honorable Robert Gates
Secretary of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Dear Mr. Secretary:

I am writing regarding a November 18, 2009 report that the Defense Department has awarded lucrative contracts to former generals and admirals to advise active-duty service members.[1] This is a matter that the Subcommittee on Contracting Oversight will investigate.

As reported by USA Today, the Defense Department has hired at least 158 retired generals and admirals to act as "senior mentors" to the Army, Navy, Marines, Air Force, and Defense Logistics Agency, where they are paid many times the rate of pay for their active duty counterparts. At least 80% of these mentors have financial ties to defense contractors, some of whom may have a direct financial interest in the advice given by the mentors.[2]

If true, this report raises disturbing questions about the ways in which defense contractors might be influencing the Department through the "senior mentors." At a minimum, use of "senior mentors" must be absolutely transparent. However, this does not appear to be the case. According to the USA Today report:

> Mentors…are not subject to government ethics rules that would apply if they were hired as part-time federal employees … don't have to disclose, either to the military or the public, the identities of their clients … are not barred from lobbying the same officers they are advising, from advertising their military adviser role on company websites, or from taking commercial advantage of insights gleaned through their government work.[3]

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[1] *Retired Military Officers Cash In As Well-Paid Consultants*, USA Today (Nov. 18, 2009).

[2] *Id.*

[3] *Id.*

Mentors with financial interests in the subject matter of their advice who are not required to disclose their financial relationships or potential conflicts of interest to the government could act to advance the contractors' interest without the Department's knowledge.

I recognize that the service and experience of former senior military officials represents a great benefit and that, in certain circumstances, these individuals may have a helpful role to play for our military. However, concern regarding conflicts of interest is paramount, and must be addressed. For example, according to USA Today, the Marine Corps hired mentors to advise on operations, even in instances where those individuals had financial ties to companies that produced products related to those same operations.

To help the Subcommittee understand the Defense Department's use of "senior mentor" contracts, please provide the following information and documents for the period beginning October 1, 2004 through September 31, 2009:

(1) The name, rank at retirement, and last posting of all senior mentors who have worked for the Defense Department;

(2) The contractor name, contract number, extent of competition, scope of work, and dollar amount obligated for all contracts used to acquire the services of senior mentors;

(3) A list of projects, exercises, and war games on which senior mentors provided advice, and a list of the contractors hired for those projects;

(4) Documents and communications reflecting disclosures by senior mentors of potential conflicts of interest relating to their financial relationships with defense contractors, or about whether such disclosures should be submitted;

(5) Department and service procedures for tracking compliance with ethics law requirements, financial disclosures, and time bar and prohibitions for certain types of work by current and former employees;

(6) Department and service procedures relating to the employment and compensation of senior mentors, as well as information sufficient to show the individual and average hourly rate for senior mentors;

(7) The final report and all drafts produced in response to Air Force Chief of Staff Norman Schwartz' order to determine the number, location, and compensation of Air Force mentors; and

(8) All communications, memoranda, and legal analyses relating to the use of mentors by the Department as well as those produced in response to inquiries from USA Today about these topics.

I request that you provide this information as soon as possible, but in no case later than **December 22, 2009**. If you determine that you will be unable to make a complete production by this date, please contact Subcommittee staff as soon as possible to discuss possible modifications to this schedule.

The jurisdiction of the Subcommittee on Contracting Oversight is set forth in Senate Rule XXV clause 1(k); Senate Resolution 445 section 101 (108th Congress); and Senate Resolution 73 (111th Congress). An attachment to this letter provides additional information about how to respond to the Subcommittee's request.

Please contact Margaret Daum at (202) 228-3862 with any questions.

Sincerely,

Claire McCaskill
Chairman
Subcommittee on Contracting Oversight

Attachment

cc: Robert F. Bennett
Ranking Member