



Fact Sheet

VETERANS HIRING BY GOVERNMENT CONTRACTORS

Senator Claire McCaskill

Chairman, Subcommittee on Contracting Oversight

Companies with government contracts are required to report information to the government regarding the hiring and employment of veterans. Contractors with at least \$100,000 in contracts awarded after December 1, 2003 must submit this information to the Labor Department's Office of the Assistant Secretary for Veterans Employment and Training (VETS) using a form called the VETS-100A.¹

At the request of Chairman Claire McCaskill, the Labor Department provided the Subcommittee with the available information collected by VETS.² The data received by the Subcommittee raises serious concerns about whether contractors are providing accurate data to the Labor Department and whether the Labor Department performs adequate quality assurance. In its review, the Subcommittee noted obviously incorrect information and statistically improbable data. The information provided to the Subcommittee is also missing data for many contractors, including large employers such as Booz Allen, Supreme Group, and ManTech International.³

Except as noted, the Subcommittee's analysis assumes that the VETS-100A data provided is accurate.

Overview of Veterans Hiring

The VETS-100A information produced by the Labor Department shows that federal contractors hired 223,666 veterans in 2010. In total, approximately 946,515 veterans were employed by government contractors and their subsidiaries in 2010.⁴

According to the data provided by the Labor Department, the contractor who hired the most veterans in 2010 was Compass Group, who reported that they hired 78,385 veterans. This number is likely incorrect, as it is approximately four times larger than Compass' reported total for all new hires.⁵

Contractor	Veterans Hired	Total New Hires	Percentage of Veterans Hired
Compass Group	78,385	19,607	400%
General Dynamics Corp.	10,000	23,568	42%
Allied Barton Security Services	4,188	59,104	7%
L-3 Communications	3,301	8,737	38%
SAIC	2,979	6,916	43%
Home Depot	2,452	67,233	4%
Northrop Grumman	2,322	10,499	22%
Lockheed Martin	2,228	8,980	25%
Computer Sciences Corporation	2,154	7,865	17%
Xerox	1,954	33,152	6%

The information provided to the Subcommittee from the Labor Department also does not match information provided by contractors as part of a study which appeared in *Forbes* magazine. According to *Forbes*, the top corporate employers of veterans in 2010 were Booz Allen Hamilton, SAIC, Northrop Grumman, L-3 Communications, Lockheed Martin, BAE Systems, CSC, CACI, and Boeing.⁶

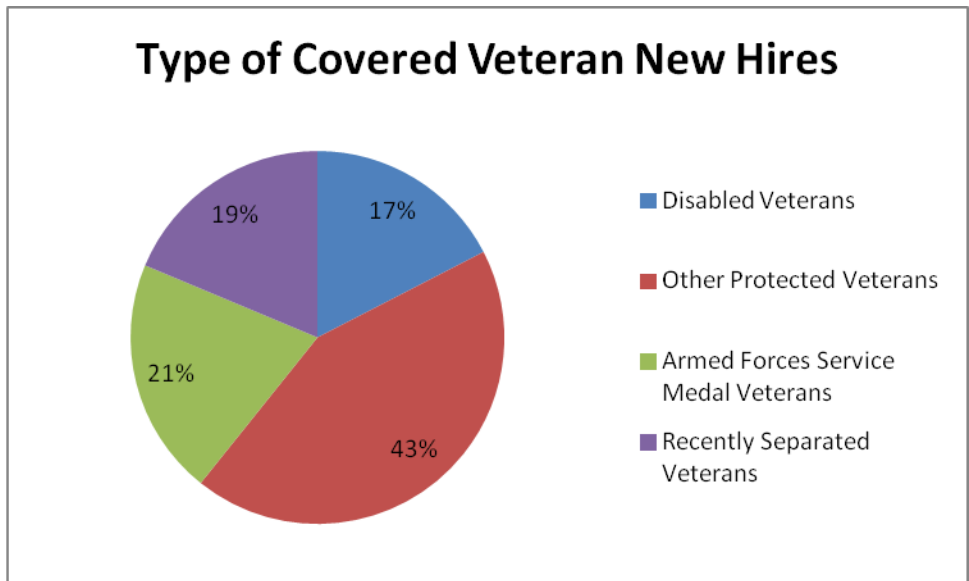
Categories of Veterans Hired

The VETS-100A reports comprise four categories of “covered” veterans. These categories include:

- **Disabled Veterans** - (i) a veteran of the U.S. military, ground, naval or air service who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans Affairs, or (ii) a person who was discharged or released from active duty because of a service-connected disability.
- **Other Protected Veterans** - a veteran who served on active duty in the U.S. military, ground, naval, or air service during a war or in a campaign or expedition for which a campaign badge has been authorized.
- **Armed Forces Service Medal Veterans** - means a veteran who, while serving on active duty in the U.S. military, ground, naval, or air service, participated in a U.S. military operation for which an Armed Forces service medal was awarded pursuant to Executive Order 12985.
- **Recently Separated Veterans** - a veteran during the three-year period beginning on the date of such veteran’s discharge or release from active duty in the U.S. military, ground, naval, or air service.⁷

Contractors are permitted to count new hires and employees in more than one category, so there is the possibility that numbers are overstated.

The information provided to the Subcommittee shows that recently separated veterans comprised only 19% of all new hires.

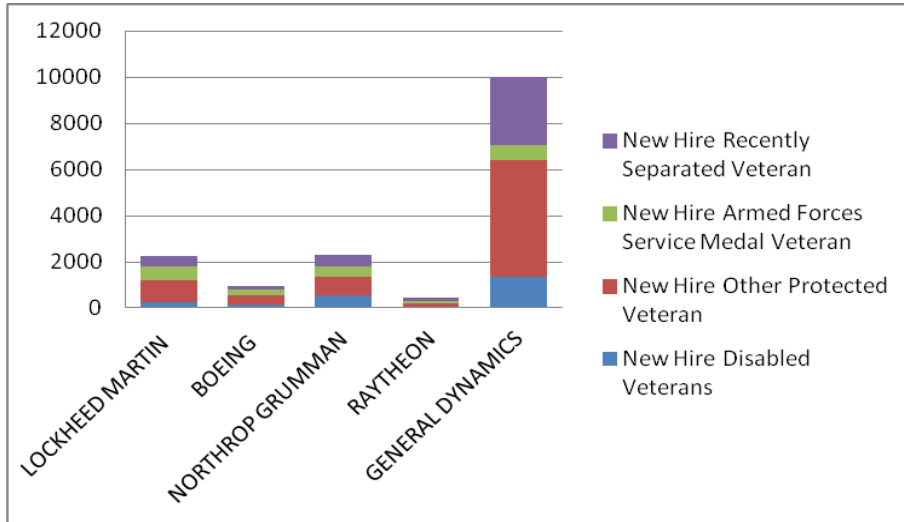


2010 Veterans Hiring by Contractors Receiving the Most Federal Contract Dollars

The 20 largest government contractors, who collectively received more than \$177.3 billion in government contracts in 2010, reported hiring approximately 27,814 veterans in 2010. Two of the largest contractors, Cerberus Capital Management (the owner of DynCorp) and Booz Allen Hamilton, both of whom reportedly hire many veterans, did not have any information in the 2010 VETS-100A report.

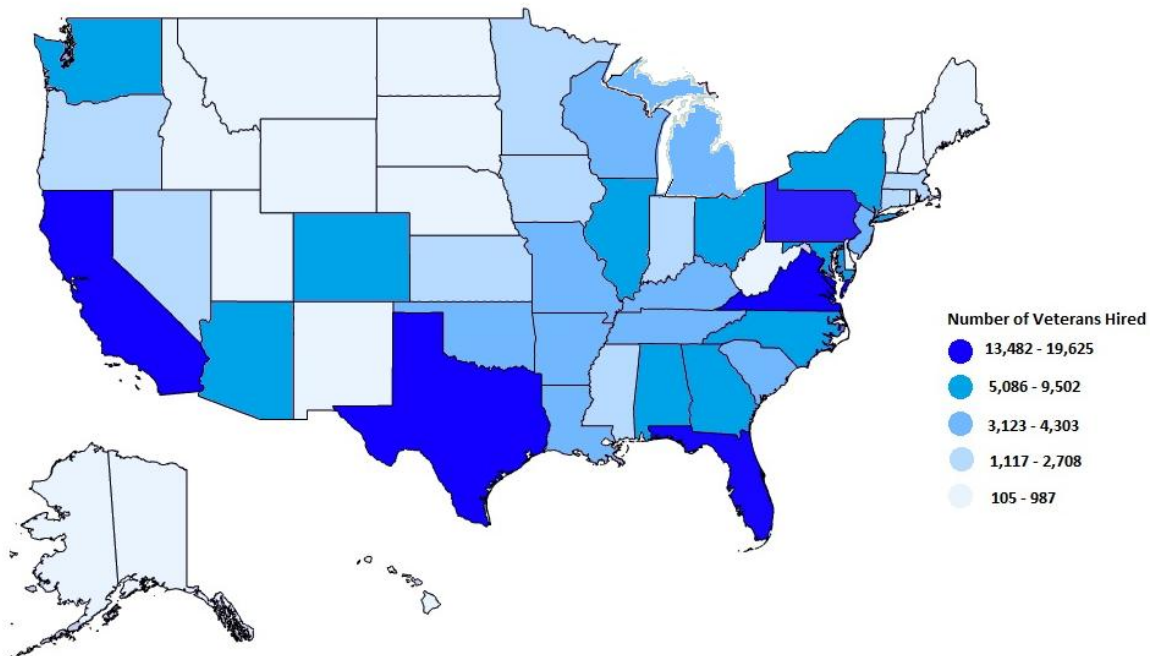
Contractor	2010 Contract Dollars (in billions)	2010 Veterans Hiring	Total New Hires	Percentage of Veterans Hired
Lockheed Martin	\$35.8	2,228	8,980	25%
Boeing	\$19.2	960	5,776	17%
Northrop Grumman	\$16.4	2,322	10,499	22%
Raytheon	\$15.4	456	3,891	12%
General Dynamics	\$15.4	10,000	23,568	42%
United Technologies	\$7.7	591	3,417	17%
L-3 Communications	\$7.5	3,301	8,737	38%
Oshkosh	\$7.3	114	708	16%
SAIC	\$6.8	2,979	6,916	43%
BAE Systems	\$6.7	892	5,039	18%
Cerberus Capital Management	\$4.8	<i>No data</i>		
McKesson Corporation	\$4.6	24	3,833	1%
Computer Sciences Corporation	\$4.5	2,154	7,865	27%
URS Corporation	\$4	1,312	7,175	18%
Bechtel Group Inc.	\$3.9	94	1,404	7%
Booz Allen Hamilton	\$3.9	<i>No data</i>		
KBR Inc.	\$3.7	41	6,275	1%
Harris Corporation	\$3.3	330	1,434	23%
Health Net Inc.	\$3.2	29	647	4%
Humana Inc.	\$3.2	30	1,946	2%

The five largest government contractors, which accounted for over \$102 billion of total contract dollars in 2010, reported hiring 15,966 veterans. These companies alone accounted for 7% of all new veteran hires in 2010.



Contractor Hiring by State

Contractors are required to report the city, county, and state where veterans are hired. Although the contract may not actually be performed in that location, the information highlights where contractors are most active in hiring veterans. According to the data provided to the Subcommittee, contractors hired the most veterans in Texas (19,625), Virginia (18,925), California (15,100), Florida (14,833), and Pennsylvania (13,482).



Veterans Hiring by Small Businesses⁸

A review of veterans hiring by the top ten small businesses by contract dollars received illustrates the significant amount of hiring data that was not reported for the VETS-100A.

Contractor	2010 Dollars (in millions)	Total New Hire Veterans	Total New Hires	Percentage of Veterans Hired
Atlantic Diving Supply	\$941.8	29	139	21%
Aegis Mission Essential Personnel	\$649.9	<i>No data</i>		
Precious A-Mark Metals	\$609.7	<i>No data</i>		
Sunshine Minting	\$304.2	<i>No data</i>		
World Wide Technology	\$254.5	38	380	10%
Eyak Technology	\$246.6	<i>No data</i>		
immixtechnology ⁹	\$243.6	<i>No data</i>		
Telos Corporation	\$232.9	20	58	34%
Energy Enterprise Solutions	\$225.9	12	109	11%
Coins 'N Things	\$214.8	<i>No data</i>		

Veterans Hiring by Veteran-Owned Small Businesses

Anecdotally, veteran-owned small businesses are among the leading employers of veterans.¹⁰ However, it cannot be determined from the data provided whether some contractors simply did not report the data or whether they had no qualifying contracts that required reporting.

Contractor Name	2010 Contract Dollars (in millions)	2010 Veterans Hiring	Total New Hires	Percentage of Veterans Hired
Aegis Mission Essential Personnel*	\$649.9	<i>No data</i>		
Navmar Applied Sciences Corporation*	\$192.5	<i>No data</i>		
Sword & Shield Enterprise Security	\$151.1	0	4	0%
Military Produce Group	\$139.9	<i>No data</i>		
MicroTech*	\$138.6	<i>No data</i>		
Four Points Technology*	\$134.4	<i>No data</i>		
Merlin International Incorporated	\$113.6	<i>No data</i>		
Source One Distributors, Inc.	\$110.6	<i>No data</i>		
Fedstore Corporation*	\$93.6	4	13	31%
CSI Aviation Services* ¹¹	\$90.4	<i>No data</i>		

*Also received contracts as a service-disabled, veteran-owned small business.

¹ 38 U.S.C. 4212. The Jobs for Veterans Act of 2002 expanded on the reporting requirements originally enacted in the Vietnam Era Veterans Readjustment Assistant Act of 1972.

² Letter from Chairman Claire McCaskill to Secretary Hilda Solis, Labor Department (Nov. 15, 2011); Letter from Brian V. Kennedy, Labor Department to Chairman Claire McCaskill (Dec. 20, 2011).

³ In conversations with Subcommittee staff, a representative for ManTech stated that they submitted their 2010 VETS-100A information to the Labor Department.

⁴ This number does not include the 10.9 million veterans reportedly employed by National Interest Advanced Solutions, a small business based in West Virginia.

⁵ In conversations with Subcommittee staff, a representative for Compass Group stated that they had difficulty submitting information for 2010 to the Labor Department. Compass Group stated that they provided the same information to the Department electronically multiple times and ultimately provided the information manually.

⁶ *The Top Employers for Veterans*, Forbes (Apr. 23, 2012) (online at <http://www.forbes.com/sites/jacquelynsmith/2012/04/23/the-top-employers-for-veterans/>). According to *Forbes*, the study looked only at employers that offer positions where military experience or training was highly relevant in day to day work.

⁷ 38 U.S.C. § 4212(a)(3).

⁸ Previous work by the Subcommittee has demonstrated that some businesses that are not actually small by the industry standards developed by the Small Business Administration receive small business contracts. The businesses listed here are the ones that received the most small businesses contract dollars. See Subcommittee on Contracting Oversight, *Hearings on Small Business Contracts: How Oversight Failures and Regulatory Loopholes Allow Large Businesses to Get and Keep Small Business Contracts*, 112th Cong. (July 26, 2011) (S. Hrg. 112-144).

⁹ immixTechnology's parent company, immixGroup, reported data in the VETS-100, but reported that it hired no veterans in the 2010 reporting period.

¹⁰ In preparation for its hearing, the Subcommittee met with numerous veteran services organizations (VSOs), which reported that veteran-owned small businesses were among those businesses which hired veterans at a high rate.

¹¹ CSI Aviation Services reported in the VETS-100 that it hired one special disabled veteran in the 2010 reporting period.