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Subsidizing the Military-Industrial Complex: A Review of the Secretary of Defense Executive Fellows (SDEF) Program

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Executive Summary

For nearly 30 years, an obscure Department of Defense (DoD) program has given Pentagon contractors a taxpayer-subsidized opportunity to influence U.S. military policy, creating massive conflicts of interest — yet little scrutiny.

This research brief offers a first of its kind look at the DoD's Secretary of Defense Executive Fellows (SDEF) program, which sends U.S. military officers to work at major corporations for a year, and then return and provide recommendations to the DoD for how it might improve.

Military contractors benefit disproportionately from the SDEF program. Twenty-nine percent of all SDEF fellows have gone to the nation's top 50 government contractors, with 15 percent going to the “big five” military contractors alone. None of the 317 fellows in the program's history has ever served at a public sector institution.

Decades of SDEF recommendations have consistently focused on reforms that would both benefit corporations and bolster their influence over the DoD, including calls for a greater share of the agency's budget to be given to military contractors, reduced oversight, greater private outsourcing of agency responsibilities, and the loosening of international arms trade regulations.

SDEF also keeps the revolving door between public service and private profit spinning. Forty-three percent of SDEF fellows went on to work for a government contractor at some point in their post-military career.

In consistently failing to distinguish between what's best for corporate executives and what's best for the American people, the SDEF program represents a dangerous embrace of the military-industrial complex. Whereas Dwight D. Eisenhower warned against the “conjunction of an immense military establishment and a large arms

industry” whose “total influence” can be seen in “every office of the Federal Government,” the SDEF program explicitly advocates for it.

SDEF has become a reliable method for corporations to disguise self-interested policy aspirations as helpful recommendations for DoD. If this program is to continue, DoD must act forcefully to address and minimize the unsettling conflicts of interest embedded within SDEF by:

- Enforcing a “one defense contractor per year” rule
- Barring fellows from working in “government relations” roles
- Exploring post-employment restrictions for former fellows
- Re-balancing orientations away from undue corporate influence and political bias
- Rationalizing program size

Introduction

The Department of Defense (DoD) is deeply involved with the private sector through contracting and acquisitions: as much as half of the annual DoD budget regularly goes to private contractors, representing a \$414.5 billion dollar market in fiscal year 2022.¹ International arms sales conducted through the DoD represent another major source of corporate revenue, with tens of billions more in business conducted annually through the Foreign Military Sales program.

The scale of the money available from the DoD has attracted aggressive lobbying and influence campaigns from private contractors interested in both extracting value from this market and in growing the market further. These efforts include spending tens of

¹ William D. Hartung, “Profits of War: Corporate Beneficiaries of the Post-9/11 Pentagon Spending Surge.” Costs of War Project, Watson Institute for International & Public Affairs, Brown University, September 13, 2021, <https://watson.brown.edu/costsofwar/papers/2021/ProfitsOfWar>; and “A Snapshot of Government-Wide Contracting for FY 2022,” Government Accountability Office, August 15, 2023, <https://www.gao.gov/blog/snapshot-government-wide-contracting-fy-2022>.

millions of dollars in campaign contributions each election cycle, spending hundreds of millions of dollars to hire more than one lobbyist per member of congress, and paying for targeted marketing campaigns to appeal to policymakers directly.² The industry also benefits from a “revolving door” through which thousands of former DoD officials move into private sector positions where they can use their connections to influence the agency.

The harmful implications of these outside pressure campaigns on government ethics, political democracy, and public policy have been widely discussed. What has drawn less attention are internal avenues of influence available to large corporations, methods through which they can pressure the DoD towards particular courses of action through the agency’s own programs. Though smaller in scale, these avenues represent a significant threat to the DoD’s integrity by providing contractors with a taxpayer–subsidized opportunity to directly influence military policymakers.

The Secretary of Defense Executive Fellows (SDEF) program is one such internal avenue of influence. Each year, the DoD sends U.S. military officers to work at major corporations, after which they return and provide recommendations to the DoD for how it might improve. This program, which is small but growing, poses significant ethical dilemmas across multiple dimensions, namely: functioning as a corporate subsidy, both directly and indirectly, to defense contractors; allowing companies to use the SDEF program as a de facto lobbying tool; and providing a taxpayer–funded revolving door, wherein SDEF fellows disproportionately join the military–industrial complex after leaving military service, with some even joining the very firms where they served as fellows.

This report is the first comprehensive analysis of the Secretary of Defense Executive Fellowship Program and the issues which plague it. It draws on a wealth of information

² Hartung, “Profits of War: Corporate Beneficiaries of the Post-9/11 Pentagon Spending Surge;” Auble, Dan, “Capitalizing on Conflict: How defense contractors and foreign nations lobby for arms sales,” OpenSecrets, February 25, 2021, <https://www.opensecrets.org/news/reports/capitalizing-on-conflict/defense-contractors>; and Brett Heinz, “How the DC Metro is a tool for the military industrial complex,” Responsible Statecraft, October 23, 2023, <https://responsiblestatecraft.org/defense-industry-lobby/>.

about the program, including 27 years of annual summary presentations, a full list of fellows and the companies they worked for, individual reports written by many of the fellows, 15 years of orientation schedules, post-service employment records for nearly 200 former fellows, and more. What we found was an unsettling history of conflicts of interest which are entirely inappropriate for a government program. Before addressing these issues, the remainder of this section will provide an overview of the program's history and basic structure.

History

In 1994, Defense Secretary William J. Perry issued a memorandum regarding the creation of a "Secretary of Defense Fellows" program. Perry argued that the U.S. military had a "need to build a cadre of officers who understand not only the profession of arms, but also the... revolutionary changes in information and related technologies" occurring in the business world.³ The new program was formalized the following year by DoD Directive 1322.23.

The initial plan was for each military service to nominate officers who have demonstrated the potential to rise further in the ranks, and for each to work at "a private business corporation or a public-sector institution." Fellows were then to "provide a written information report and a briefing...that describes the work performed, insights gained regarding operational and organizational change, how these changes may influence the culture and operation of the Department of Defense, and appropriate recommendations...."⁴

Another influential figure in creating the program was Air Force Secretary Jim Roche, who reportedly considered himself "the godfather of the program that put the bug in everyone's ear."⁵ It is noteworthy in this context that Roche resigned from his role as

³ William J. Perry, "Subject: Secretary of Defense Fellows," Department of Defense, October 6, 1994, <https://prhome.defense.gov/Portals/52/Documents/SDEF/Perry%20Establishing%20memo.pdf?ver=2017-05-25-160936-350>.

⁴ John P. White, "Secretary of Defense Fellows Program," Department of Defense, September 2, 1995, <https://apps.dtic.mil/sti/pdfs/ADA306928.pdf>.

⁵ SDEF (2002).

secretary around the same time that he was cited for contracting-related ethics violations: he used his position to help another government official find work at his former employer, defense contractor Northrop Grumman, as part of a larger scandal surrounding the Air Force's contracting practices.⁶

The SDEF program fielded its first cohort of fellows in 1995–96, and the program steadily matured over the following years. Retired Navy Captain Eric Briggs, described by one of his students as “a one man shop with a limited budget,” has served as the program’s director since its early days.⁷ Briggs has been aided in running the program by a variety of DoD-affiliated organizations throughout the years, including the National Defense University and the Office of Net Assessment; today, it is run out of the Office of the Under Secretary of Defense for Personnel and Readiness. There is no publicly available budget data indicating how much the program costs.

An expansion of the fellowship “in terms of both attendance and scope” was announced in 2015.⁸ The following year, a new policy expanded the program’s potential membership to include high-level civilian employees in the DoD. It also established the program’s current name: “Secretary of Defense Executive Fellows (SDEF).”⁹ A further expansion of the program was proposed by the Defense Business Board in 2020 in preparation for the

⁶ Jeffrey R. Smith, “Roche Cited for 2 Ethics Violations,” *The Washington Post*, February 10, 2005, <https://www.washingtonpost.com/archive/politics/2005/02/10/roche-cited-for-2-ethics-violations/0e37d5fe-60a3-4b99-bdb2-951211ca4d55/>.

⁷ Roger J. Witek, “Hard Skills, Soft Skills, Savviness and Discipline—Recommendations for Successful Acquisition: Case Studies of Selected Boeing Weapons Programs,” Air University, May 2008, https://prhome.defense.gov/portals/52/documents/sdef/individual%20reports/08_09_boeing_report.doc?ver=2017-02-25-232433-830; and “Sarah Holmes and Eric Briggs,” *The New York Times*, June 15, 1997, <https://www.nytimes.com/1997/06/15/style/sarah-holmes-and-eric-briggs.html>.

⁸ “Fact Sheet: Building the First Link to the Force of the Future,” Department of Defense, November 18, 2015, https://DoD.defense.gov/Portals/1/features/2015/0315_force-of-the-future/documents/FotF_Fact_Sheet - FINAL_11_18.pdf.

⁹ “Secretary of Defense Executive Fellows (SDEF).” Department of Defense, November 30, 2016, <https://prhome.defense.gov/Portals/52/Documents/SDEF/DoDI%201322.23%20Posted%20Change%20Issuance.pdf?ver=2017-04-04-223046-423>. The program had adopted the name “Secretary of Defense Corporate Fellows Program” as early as 2000, though the change was not made official until 2005. SDEF (2000) and David R. Zorzi, Scott L. Pleus, and James D. McCreary, “Corporate Lessons for DoD: Secretary of Defense Corporate Fellows’ Perspective,” Air University, May 2009, <https://apps.dtic.mil/sti/tr/pdf/ADA540164.pdf>.

Biden administration's transition into the White House, though many of these changes appear to have remained theoretical.¹⁰

In total, the SDEF program has more than tripled in size since its first year. The initial cohort contained only five fellows, while the most recent have contained between 16 and 19 fellows. Despite this growth, the total amount of public information about the program has declined over time: annual summary presentations have shrunk in size considerably, and the program no longer provides online access to its fellows' full reports. Although there is no reason to believe that the program has significantly changed in recent years, this dearth of information from recent years means that this report will focus much of its attention on the program's record in the 2000s and 2010s.

How it works

Each year, SDEF applications are opened to military officers of the O-5 and O-6 pay grades (Lieutenant Colonels, Colonels, Commanders, and Captains) who "have demonstrated high general or flag officer potential." More recently, civilian DoD employees in pay grades GS-14 and GS-15 have also been allowed to apply. Each SDEF cohort must consist of at least four fellows from each military service; beyond that, "Additional Reserve and Guard officers and officers from the United States Coast Guard" can also be selected.¹¹ Selection amongst the applicants falls primarily to the services themselves.

The program offers significant benefits for selected fellows. Their time in the fellowship counts as "Senior Service School education credit" for officers seeking a higher education. More significantly, each service counts the time spent in the fellowship towards an officers' service obligation the same way they would an educational

¹⁰ "Focusing Transition 2021," Defense Business Board, November 5, 2020, <https://www.politico.com/f/?id=00000176-3d8e-df42-af7f-bdcfd2680000>. These recommendations originally came from a 2015 report by the Defense Business Board about the SDEF program and other similar programs.

¹¹ "Secretary of Defense Executive Fellows (SDEF)," Department of Defense.

program. In the Navy, for example, this means that spending one year in the SDEF program counts as three years of military service.¹²

Once the fellows are selected, they are sent to the Washington, D.C. area to attend an orientation and training program instructing them on how to “operate and learn in a civilian business environment.”¹³ After the orientation, each fellow is assigned to a different company. Responsibility for selecting the companies and assigning fellows to them falls to the director of the SDEF program. Fellows are assigned to work in a variety of different roles within their host companies based both on their individual skills and the needs of the company. They sign non-disclosure agreements which prevent them from sharing sensitive information about their company, and then spend the next 11 months working in their assigned roles.¹⁴

Fellows are periodically gathered together during this time for “company days,” one to two day breaks in which the entire cohort tours the facilities of a host company and speaks with their executives. Each host company has the ability to set their own agenda for the company days.¹⁵ During a 2012 visit to the defense contractor Pratt & Whitney, for example, President Dave Hess discussed his goal in engaging with the DoD in this fashion: “What we’re seeking to achieve is a partnership that goes even beyond the standard supplier-customer relationship...”¹⁶

At the end of their fellowship, the fellows reconvene to provide an “outbrief” – a presentation about their experience and their recommendations – to senior DoD officials. All SDEF outbriefs are available on the program’s website. Many fellows also

¹² “Secretary of Defense Executive Fellows (SDEF),” Department of Defense; and “Academic Year 2021-2022 Federal Executive Fellowship, U.S. Navy Hudson Fellowship, and Secretary of Defense Executive Fellows Call for Applications.” United States Navy, July 20, 2020, <https://www.navy.mil/Resources/NAVADMINs/Message/Article/2315457/academic-year-2021-2022-federal-executive-fellowship-us-navy-hudson-fellowship/>.

¹³ “Secretary of Defense Executive Fellows (SDEF),” Department of Defense.

¹⁴ David R. Zorzi, Scott L. Pleus, and James D. McCreary, “Corporate Lessons for DoD: Secretary of Defense Corporate Fellows’ Perspective,” Air University, 2009.

¹⁵ David R. Zorzi, Scott L. Pleus, and James D. McCreary, “Corporate Lessons for DoD: Secretary of Defense Corporate Fellows’ Perspective,” Air University, 2009.

¹⁶ “Secretary of Defense Corporate Fellows Program Builds Stronger Partnership with Military Customers,” Pratt & Whitney, November 26, 2012,

<https://app.prattwhitney.com/2012-11-26-Secretary-of-Defense-Corporate-Fellows-Program-Builds-Stronger-Partnership-with-Military-Customers>

write full reports expanding upon their observations in order to receive academic credit; these used to be available online, but are no longer made public.¹⁷

Orientation and training

The SDEF program's three-week orientations serve to set the tone of the program, inform fellows about current events, and establish expectations for what fellows ought to be working towards. To gain deeper insight into what they entail, we acquired and analyzed orientation schedules from 15 years of the program, including the full list of speakers presenting each year.¹⁸ This analysis reveals two troubling facts: 1) the orientations function as an avenue for corporate influence over the SDEF program, and 2) there is a clear political bias in who is invited to speak.

More than 350 officials of diverse backgrounds spoke at the SDEF orientations within our sample. Unsurprisingly, the most common affiliation of these speakers was the military, accounting for 37 percent of the total. The remainder came from academia, think tanks, businesses, Capitol Hill, media outlets, non-profits, and other government agencies.

The Center for Strategic and Budgetary Assessments (CSBA) plays a major role in helping to organize the orientations. Figures affiliated with the CSBA make up 10 percent of all speakers. In its own words, the think tank helps educate SDEF fellows on "topics ranging from U.S. grand strategy to private sector work-place dynamics," including an examination of changes "occurring in the corporate sector for their relevance to defense restructuring or planning."¹⁹

¹⁷ Many reports from 1996-2010 are still available on an archived version of the program's website: <https://web.archive.org/web/20120916134238/http://www.ndu.edu/sdcfp/reports.htm>.

¹⁸ The years analyzed were 2003, 2005, 2006, 2008, 2009, 2010, 2011, 2012, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. This sample provides an incomplete picture of all SDEF orientations, but it does cover the majority of the program's existence. See Annex II for a full list of citations.

¹⁹ "2022 Annual Report," Center for Strategic and Budgetary Assessments, April 21, 2023, <https://csbaonline.org/research/publications/2022-annual-report/publication/1>; and "2018 Annual Report," Center for Strategic and Budgetary Assessments, March 1, 2019, <https://csbaonline.org/research/publications/csba-2018-annual-report/publication/1>.

Yet the CSBA is not a purely neutral observer: they accept funding from 16 major defense companies, including ten SDEF beneficiaries.²⁰ The companies currently funding the think tank have received 18 percent of all SDEF fellows. The CSBA thus receives funding both from these companies directly (contributions) and from the government program which subsidizes them (compensation for help with the orientations).²¹ Documents from earlier this year indicate plans for the CSBA to continue its role in the orientations through 2027.²²

Contracting firm Booz Allen Hamilton also appears to have had a unique relationship with the program's orientations in the 2000s and 2010s. No other business had more speakers at SDEF orientations and, for several years, two days of the orientation appear to have taken place inside of the company's offices.²³ Booz Allen Hamilton also received five fellows from the SDEF program during and after this period. Thus, Booz Allen, like CSBA, helped to shape a government program which it also benefited from.

Concerns of political bias also emerge from the speakers' list. Of all the think tank-affiliated officials who have spoken at SDEF orientations, nine came from right-leaning think tanks while only one came from a left-leaning think tank.²⁴ The SDEF speakers list also includes a surprisingly large number of figures who are either associated with the neoconservative movement, helped to craft the foreign policy of the George W. Bush administration, or both.

²⁰ "Contributors," Center for Strategic and Budgetary Assessments, <https://csbaonline.org/about/contributors>. Accessed February 28, 2024.

²¹ The "Secretary of Defense Corporate Fellows Program" is listed among the annual contributors to the Center for Strategic and Budgetary Assessments. "Contributors," Center for Strategic and Budgetary Assessments.

²² "OSD Executive Fellows Training," GovTribe, January 4, 2024,

<https://govtribe.com/opportunity/federal-contract-opportunity/osd-executive-fellows-training-140d0424q0141>.

²³ Within the sample, references to Booz Allen Hamilton offices appear in the orientation schedules for 2006, 2008, 2009, 2010, and 2012. The 2008 and 2009 schedules reference an "Edwin Room," which was on the 10th floor of the company's offices formerly located at 3811 N. Fairfax Dr., Arlington, Virginia. This space has been used by other government agencies before; see "GENI Workshop." ARPA-E, Department of Energy, December 20, 2010, https://www.arpa-e.energy.gov/sites/default/files/documents/files/GENI%20Agenda_FINAL.pdf.

²⁴ On the right: The American Center for Democracy, American Enterprise Institute, American Foreign Policy Council, Foundation for Defense of Democracies, Foreign Policy Research Institute, Gatestone Institute, Heritage Foundation, Hudson Institute, and Jamestown Foundation. On the other end of the spectrum, one single speaker was invited from the center-left New America.

Here, the political and business interests of the program collide. Scholars of the ideology have observed that “neoconservatism has become outrightly protective of business interests”; in return, these business interests fund neoconservative institutions.²⁵ Underlying this relationship is the fact that the aggressive foreign policy advocated for by neoconservatism benefits many segments of the business sector, especially defense contractors who see demand for their services rise as militarism increases.

In one particular example, an SDEF speaker crossed the line beyond traditional political ideology into Islamophobic conspiracism. On at least four separate occasions, Steven Emerson of the Investigative Project on Terrorism spoke at the orientations on topics such as “The Stealth Jihad: Radical Fundamentalism Infiltration.”²⁶ Emerson is notorious for poorly-sourced claims about Islamist terrorism, a trend made apparent long before his first speaking role at an SDEF orientation.²⁷ Two days after Emerson spoke to the 2011 SDEF orientation, neo-Nazi Anders Behring Breivik killed 77 people in a terrorist attack in Norway; his manifesto cited Emerson twice.²⁸

The politicization of an ostensibly apolitical military program is concerning, especially when considering two facts about the SDEF program: it is targeted towards officers who are expected to rise higher through the military hierarchy, and it is intended to influence the way fellows behave “throughout the remainder of their careers.”²⁹

²⁵ Peter Steinfels, *The Neoconservatives: Origins of a Movement*, Simon & Schuster, 2013, p. 11. Irving Kristol, one of the most influential of the early neoconservatives intellectuals, suggested that corporations might “give support to those elements” of the political elite who “believe in the preservation of a strong private sector,” p. 275.

²⁶ Briggs (2008). Within the sample, Emerson spoke at SDEF orientations in 2003, 2006, 2008, and 2011.

²⁷ Less than six hours after the 1995 Oklahoma City bombing, Emerson suggested that the attack was likely conducted by Muslim jihadists; the next year, he made similarly premature claims about an airplane crash which was later found to have been caused by mechanical failure. Mark Potok, “Remembering Oklahoma,” Southern Poverty Law Center, June 10, 2015, <https://www.splcenter.org/fighting-hate/intelligence-report/2015/remembering-oklahoma>; and Bartosiewicz, Petra. “Experts in Terror,” *The Nation*, January 17, 2008, <https://www.thenation.com/article/archive/experts-terror/>.

²⁸ Eli Clifton, “CHART: Oslo Terrorist’s Manifesto Cited Many Islamophobic Bloggers and Pundits,” *ThinkProgress*, July 25, 2011, <https://web.archive.org/web/20200508080818/https://archive.thinkprogress.org/chart-oslo-terrorists-manifesto-cite-d-many-islamophobic-bloggers-and-pundits-e10907ffa87/>. Emerson has since received a cease and desist order from the New York Attorney General’s office for spying on Muslim-American groups. Rick Sawyer, “Cease and Desist Notification,” State of New York Office of the Attorney General, April 1, 2022, https://ag.ny.gov/sites/default/files/2022.04.01_ipt_cease_and_desist_vff.pdf.

²⁹ SDEF (2002).

SDEF as corporate subsidy

The SDEF program serves as a corporate subsidy, both directly and indirectly. First, the host company “has, effectively, the use of a full time middle management on-the-job trainee for a year.”³⁰ Along with this direct subsidy of 11 months of free labor, the program also supplies companies with valuable information about both the government and their competitors. The presence of a military officer at their disposal “affords corporate America the ability to tap into current ideas, programs, and leadership initiatives currently underway in the DoD...”³¹ Additionally, because hosts send their fellows to join “company days” at other firms, they “gain access and a view inside other companies not normally available.”³²

Finally, the SDEF program explicitly advertises to host companies that the program will help create a more business-friendly environment for military contractors: “For companies doing business with DoD, helping to build this cadre of future Service leaders who are more educated in best business practices has direct long term benefits.”³³

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Given that the SDEF program both subsidizes companies and supplies them with an opportunity to influence DoD policy, it is important to analyze which companies have benefited most. Of the 87 beneficiary companies, Figure One displays the top 16 recipients of fellows from the SDEF program.

³⁰ “Frequently Asked Questions,” Secretary of Defense Executive Fellowship Program, Department of Defense. <https://prhome.defense.gov/Readiness/Organization/FET/SDEF/Information-for-Sponsoring-Companies/>.

³¹ David R. Zorzi, Scott L. Pleus, and James D. McCreary. “Corporate Lessons for DoD: Secretary of Defense Corporate Fellows’ Perspective,” Air University, May 2009.

³² “Frequently Asked Questions,” Secretary of Defense Executive Fellowship Program, Department of Defense.

³³ “Frequently Asked Questions,” Secretary of Defense Executive Fellowship Program, Department of Defense.

Government contractors, and especially military contractors, benefit disproportionately from the SDEF program. Lockheed Martin and RTX, the world's two largest defense contractors, are also two of the top beneficiaries of the SDEF program.³⁴ In total, 29 percent of all SDEF fellows have gone to the nation's top 50 government contractors, with 15 percent going to the "big five" military contractors alone.³⁵

The heavy overrepresentation of military contractors is concerning for several reasons. First, these companies have the most to gain from using the program to influence DoD policymaking. Second, it appears to go against the program's own professed standards. For many years, SDEF outbriefs claimed that the program selected "Only one defense contractor per year." This is false by any definition, and is even contradicted by their own materials.³⁶

The original directive establishing the SDEF program says that fellows would be assigned to "a private business corporation or a public-sector institution," and the 2015 effort to overhaul the program included plans to "expand the fellowship mandate to

Figure 1. Top Beneficiaries of the SDEF Program, 1996–2023

Company	Total Fellows
Lockheed Martin	12
Boeing	10
RTX [Raytheon]	10
SRI International	10
Cisco	8
FedEx	8
Microsoft	8
Northrop Grumman	8
Southern Company	8
United Technologies*	8
3M	7
Alphabet [Google]	7
Caterpillar	7
General Dynamics	7
McKinsey	7
Oracle	7

Source and Notes: "Past Fellows," Secretary of Defense Executive Fellows Program, Department of Defense, <https://prhome.defense.gov/Readiness/Organization/FET/SDEF/Past-Fellows/>. Counts include fellows sent to contemporary subsidiaries.

*United Technologies merged to join RTX in 2020.

³⁴ "Top 100 Defense Companies," *DefenseNews*, 2023, <https://people.defensenews.com/top-100/>.

³⁵ "2023 Top 100," *Washington Technology*, 2023, <https://washingtontechnology.com/rankings/top-100/2023/>. The "big five" are Lockheed Martin, RTX, Northrop Grumman, Boeing, and General Dynamics.

³⁶ For just one example, the claim appeared in the 2004 outbrief even though the same slideshow admitted: "Six of the host companies for the 2003/04 Fellowship year [out of eight] were directly involved with creating and selling physical products to DoD," including two of the "big five." SDEF (2004).

include fellowships with state and local government....”³⁷ Despite this, none of the 317 fellows in the program’s history have ever served at a public sector institution.³⁸

SDEF proposals

One of the most important priorities of the SDEF program is to turn observations of private sector behavior into suggestions for how the DoD might improve. These recommendations are then compiled into “outbrief” slideshows and presented to several dozen high level military officials, including the deputy secretary of defense, the vice chairman of the Joint Chiefs of Staff, the leaders of each military service, and more. ³⁹ As such, the program claims to “help the Department think.”⁴⁰

Yet there are reasons to question many of the program’s outbrief recommendations. For one, they are not always original. A 2012 presentation from a SDEF fellow who worked at Oracle lifted several recommendations directly from the 2008 presentation of a SDEF fellow who worked at Oracle. The same happened between those two years for fellows working at 3M.⁴¹ Similarly, the speaking notes for a SDEF fellow who worked at Lockheed Martin in 2008 appear to be copied and pasted from those of an SDEF fellow who worked at Lockheed Martin in 2005.⁴²

Many host companies are not shy in hijacking the SDEF program to boost their earnings from the government. At least 18 participating companies and subsidiaries are known to have assigned their fellows to roles that involved public sector contracting or “relationships” with the DoD, and many more have likely done so in more subtle ways.⁴³

³⁷ John P. White, “Secretary of Defense Fellows Program”; and “Fact Sheet: Building the First Link to the Force of the Future,” Department of Defense.

³⁸ All SDEF host companies are private sector institutions, with the exception of two non-profits: SRI International and Team Rubicon.

³⁹ For example, the program held “Twenty-seven briefings to 42 senior leaders in June 2018.” SDEF (2019). Past SDEF presentations claimed to have presented to the secretary of defense as well, i.e. SDEF (2008).

⁴⁰ SDEF (2013).

⁴¹ SDEF (2008 & 2012).

⁴² SDEF (2005 & 2008).

⁴³ Accenture, Boeing, EADS, Enron, Hewlett-Packard, Honeywell, Human Genome Sciences, IBM, Lockheed Martin, Microsoft, NCR, Oracle, Pratt & Whitney, the Sarnoff Corporation, Sikorsky Aircraft, SpaceX, SRA International, and Symbol Technologies. SDEF (2000, 2001, 2003, 2005, 2006, 2007, 2009, 2010, & 2011). McDonnell Douglas is an example of a company who structured this arrangement more subtly, placing their fellow in a “market planning and

IBM, for example, has assigned at least three of its fellows to roles dealing with the “Federal Defense Industry” and the “DoD account.”⁴⁴

So long as fellows are influenced by both corporate and military interests, they will face unavoidable conflicts of interest in what they suggest.

This ethical conundrum is symbolic of the issues plaguing SDEF policy recommendations. So long as fellows are influenced by both corporate and military interests, they will face unavoidable conflicts of interest in what they suggest. The program has generated a massive number of suggestions for reform at the DoD, many of which are reasonable (although their sheer volume means that they are occasionally contradictory). Yet it is undeniable that many of these recommendations would provide clear financial benefits to the host companies that they originate from, sometimes in shockingly bold ways.⁴⁵

Outsource, outsource, outsource

Calls for privatization are arguably the most common type of proposal made within SDEF outbriefs. The program has frequently advised the DoD to outsource a wide array of its responsibilities, and more specifically has called for approaches to acquisition reform that would benefit contractors participating in the program.

SDEF outbriefs have made broad arguments to “aggressively pursue outsourcing opportunities” and “outsource everything not core to DoD.”⁴⁶ Areas in which they have suggested the military outsource include: information technology; utility services;

analysis team” focused on “how to profitably meet the needs of the company’s #1 customer—DoD...” SDEF (1997), converted to sentence case.

⁴⁴ SDEF (2003, 2007, & 2011).

⁴⁵ Because the length of the outbriefs has declined substantially over time, there is relatively less information available about policy recommendations made by the SDEF program in more recent years. Much of the content covered in this section comes from the earlier years in the program’s history for which more information is available. See Annex I for a full list of citations.

⁴⁶ SDEF (2005 & 2000).

“personnel administration”; “travel management”; “finance and accounting”; “education program administration”; “medical services (non-combat)”; depot maintenance; basic R&D; and more.⁴⁷ Whenever putting a new program together, they advise that it is “better to start programs with experienced contractor personnel[.] Do not try to build internal teams too early[.]”⁴⁸

Some outbriefs address specific policy reforms which would benefit contractors. The 2013 presentation advised policymakers to “Repeal [the] 50/50 rule for depot sustainment,” which prevents the DoD from spending more than 50 percent of their depot maintenance budgets on contractors.⁴⁹ Contractors consider this rule a nuisance, blocking their full access to billions in military funds each year. A year prior to this presentation, the defense industry lobby also criticized the policy.⁵⁰

The SDEF program places great faith in the assumption that “industry is inherently more innovative than DoD”; therefore, the private sector should do as much of the DoD’s job as possible.⁵¹ A small minority of fellows have offered some recommendations which realize the faults in this logic, notably that outsourcing can be more expensive than doing a task in-house would, cost savings which are achieved often come from cutting corners, and contractors often structure their business models around overcharging and under-delivering.⁵² Yet when suggestions are made that take these issues into account (i.e., “penalties for non-compliance”), they are drowned out in a sea of suggestions pushing in the opposite direction.⁵³ Below are several examples of this tendency.

Increase profits: Despite contractors now receiving half of the entire DoD budget, the SDEF program suggests that contractors are not paid enough. Presentations argue that

⁴⁷ SDEF (2000, 2001, 2002, 2013, & 2018).

⁴⁸ SDEF (2014).

⁴⁹ SDEF (2013).

⁵⁰ Pete Steffes, “28th Annual National Logistics Conference & Exhibition,” National Defense Industrial Association, March 27, 2012, <https://ndiastorage.blob.core.usgovcloudapi.net/ndia/2012/logistics/Steffes.pdf>, slide 12.

⁵¹ SDEF (2022). Despite this, another presentation argues that the defense companies suffer from far more bureaucracy than the DoD itself. “Defense industry bureaucracy mirrors DoD’s bureaucracy (2X).” SDEF (2018).

⁵² Paul Chassy & Scott Amey, “Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors,” Project on Government Oversight, September 13, 2011, <https://www.pogo.org/reports/bad-business-billions-of-taxpayer-dollars-wasted-on-hiring-contractors>.

⁵³ SDEF (2001).

“low profit margins sought in DoD contracts are driving industry away,” and that the DoD should “view profit as necessary and a potential motivator to create a win-win.”⁵⁴ The military’s Better Buying Power program, which seeks to improve the contracting process to enhance affordability, is “viewed as anti-industry.”⁵⁵ Contractors feel as though they are facing a “war on profit.”⁵⁶ One of the “common findings” for the 2000 fellows was industry complaints about “low fee structures.”⁵⁷

Subsidize contractors: There were numerous recommendations for additional subsidies to defense contractors. These include “federally funded venture capital” (a la the recently-established Office of Strategic Capital), “contractual incentives to those industry partners who retain work in country,” increased industry access to public R&D funding, and “tax incentives to promote commercial and national security supply chain resiliency.”⁵⁸

Deregulate contractors: In the program’s very first year, a Lockheed Martin fellow recommended that the DoD “deregulate the defense acquisition business.”⁵⁹ The SDEF program generally portrays regulation as a burden, and SDEF presentations have called to “overturn burdensome regulations,” and “remove or rewrite policies that prevent best business practices.”⁶⁰

Allow more failure: The SDEF program also suggests that the government should let military contractors fail more often. The “Government has become too risk adverse [sic],” and “Failure [is] not tolerated.” Current policies respond to failure by “adding more checks and balances” and engaging “in a lengthy audit.” Instead, the program recommends that the government “adopt [a] policy of ‘fail early and fail often,’” while reducing “intrusive contractor oversight.”⁶¹

⁵⁴ SDEF (2016 & 2015).

⁵⁵ SDEF (2016).

⁵⁶ SDEF (2015).

⁵⁷ SDEF (2000).

⁵⁸ SDEF (2004, 2005, & 2020).

⁵⁹ SDEF (1996).

⁶⁰ SDEF (2016 & 2012).

⁶¹ SDEF (2011).

Reduce oversight: Recommendations for reduced transparency and less oversight of contractors are common in SDEF presentations. They report that the opinion of “defense contractor executives” is that they are “Spending enormous resources on non-value added reporting” and “Cumbersome reporting requirements.”⁶² Accordingly, they suggest that DoD “Reduce oversight and reporting,” “End demand[s] for (proprietary) cost information,” and use “Cost Data Reporting requirements” less often.⁶³

Give contractors more political power: At the highest level, the SDEF program suggests that we should encourage “more industry participation in solutions” by creating a “forum of industry CEOs, etc.” which would “help craft National Security Strategy.”⁶⁴ On technology policy, the DoD should “partner with industry and Government agencies to develop universal [cybersecurity] policy,” and “outsource solutions beyond the cloud to American-based industry leaders (experts).”⁶⁵ It is also suggested that the DoD create a “government / industry cooperative exchange” on contractor incentives, “obtain contractor feedback” on the performance of government offices, consult corporations at the “beginning of a program’s early phases,” and “involve industry in [the] ‘problem’ definition.”⁶⁶

Should there be limits to military outsourcing? The SDEF program frequently argues that the DoD should outsource everything which is not a “core competency.” Once non-core activities are identified, the DoD should assign them to contractors while the industry “eagerly steps up to assume responsibility for those functions that DoD sheds.”⁶⁷ In practice, this concept is left vague, enabling the program to advocate for as much outsourcing as possible. One fellow seems to give the game away with a series of statements on the same slide: first, the DoD should outsource “Everything that’s not a

⁶² SDEF (2011).

⁶³ SDEF (2011, 2015, & 2014).

⁶⁴ SDEF (2011).

⁶⁵ SDEF (2015 & 2021).

⁶⁶ SDEF (2009, 2010, & 2022).

⁶⁷ SDEF (2004).

core competency”; second, the DoD should also adopt a “Narrower, more adaptive core competency definition” that allows them to “outsource more aggressively.”⁶⁸

Loosen arms trade regulations

The SDEF program has repeatedly complained that International Traffic in Arms Regulations (ITAR) and other restrictions on weapons exports impose costs on military contractors, and thus that congress should “reevaluate ITAR language.”⁶⁹

Predictably, the primary advocates of ITAR deregulation are weapons companies who export their goods abroad. A Northrop Grumman fellow encouraged the DoD to

“re-think” the rules; that year, the company conducted \$2.1 billion in international sales.

⁷⁰ A Lockheed Martin fellow stated that “current Arms Export Control statutes, policy, and processes require modification”; that year, the company made \$15.2 billion in international sales.⁷¹

The most self-serving company in this regard was the European Aeronautic Defence and Space Company (EADS), now known as Airbus. The European defense company assigned their SDEF fellow to work on the “Homeland Security Programs” of EADS North America, whose strategy was to “expand into [the] U.S. market.” The fellow argued that “strict ITAR compliance disadvantages programs with foreign content,” and therefore poses difficulties for companies like EADS in achieving their business strategy.⁷²

In response to these complaints, the EADS fellow first recommended that the DoD “Embrace [our] allied industrial base,” making it easier for European companies like EADS to participate. In addition, he called for the DoD to “work with [the] Legislature and Department of State” on narrowing ITAR rules to create “more carefully defined”

⁶⁸ SDEF (1999).

⁶⁹ SDEF (2004).

⁷⁰ SDEF (2012) and “2013 Annual Report,” Northrop Grumman, March 14, 2014, https://www.annualreports.com/HostedData/AnnualReportArchive/n/NYSE_NOC_2013.pdf, p. 56.

⁷¹ SDEF (2018) and “Lockheed Martin Corporation 2018 Annual Report,” Lockheed Martin, 2019, <https://www.lockheedmartin.com/content/dam/lockheed-martin/eo/documents/annual-reports/2018-annual-report.pdf>, p. 83.

⁷² SDEF (2010).

standards for “military-related technologies,” as well as modifying the “criteria for which export licenses are required.”⁷³ These policy recommendations represent a wish list that would primarily benefit EADS, with only incidental benefits for the DoD.

Give us money

Many of the conflicts of interest created by the SDEF program exist on a sectoral level: companies use fellows to pass on policy recommendations that would benefit government contractors broadly. Yet some host companies use the program to encourage the DoD to take actions which would benefit them specifically, either by advocating for increased usage of products that the firm specializes in, or by outright suggesting that the government do more business with them.⁷⁴ Along with the EADS example above, examples of this include:

- **Caterpillar (2010):** Construction firm Caterpillar (CAT) engages in relatively little government contracting, but appears to have had a sustained interest in getting more involved. In 2001, their fellow advised the DoD to “Leverage industry rental and service markets”; machinery rentals were a major part of the company’s portfolio.⁷⁵ Their 2010 fellow was even more explicit, advising the DoD to “Leverage industry science and technology capabilities” such as “CAT’s unmanned mining capabilities.”⁷⁶
- **CVS Health (2018):** A fellow assigned to CVS Health simply recommended that the DoD “Explore partnership opportunities with enterprises like CVS Health.”⁷⁷

⁷³ SDEF (2010).

⁷⁴ SDEF outbriefs from 2013–17 and 2020–2022 do not display recommendations from individual fellows, making it difficult to identify recommendations offered by fellows at companies with a conflict of interest. As such, this section does not cover conflicts of interests which may have occurred during these years.

⁷⁵ SDEF (2001). CAT had 1,100 rental outlets worldwide at this time. “Caterpillar Inc.: General and Financial Information: 2001.” Caterpillar Inc., January 23, 2002, <http://s7d2.scene7.com/is/content/Caterpillar/C10020066>, p. A-8.

⁷⁶ SDEF (2010).

⁷⁷ SDEF (2018).

- **Enron** (2001): A fellow assigned to Enron had some of his recommendations “generated” for him “by Enron’s Federal Solutions Team.”⁷⁸ They offered suggestions regarding the Pentagon’s utility outsourcing program, which Enron had recently withdrawn from due to their view that government rules “bar[red] efficient, large-scale solution providers” like themselves from full participation.⁷⁹ The final outbrief did not disclose that these recommendations originated from an Enron team, meaning senior DoD officials were likely unaware that they came directly from the company.
- **Georgia Power** (2018): A fellow assigned to energy utility Georgia Power argued that the DoD should “Continue to leverage 10 USC 2922a ‘Special Agreement Authority.’” This policy allows the military to acquire energy from contractors for its bases, and has enabled the DoD to become one of Georgia Power’s largest customers.⁸⁰
- **Human Genome Sciences** (2001): A fellow assigned to biopharmaceutical firm Human Genome Sciences was assigned to projects such as “Forging a partnership with DoD” and “Exploiting DoD value from [the] biotech sector.” They recommended that the military invest new resources into “Biotech applications” and “Anti-Bio warfare” efforts, calling the “Biopharmaceutical industry an untapped resource” for them in these efforts.⁸¹

⁷⁸ Michael L. Moran, “Secretary of Defense Corporate Fellows Program: Final Report: Enron Corporation.” Secretary of Defense Corporate Fellows Program, June 2001, <https://web.archive.org/web/20120920234119/http://www.ndu.edu/sdcfp/reports/Enron%20Corp%20Final.doc>.

⁷⁹ SDEF (2001).

⁸⁰ SDEF (2018); Emily Jones, “Regulators, Pentagon, student activists push back on Georgia Power’s energy plans,” *WABE*, January 18, 2024, <https://www.wabe.org/regulators-pentagon-student-activists-push-back-on-georgia-powers-energy-plans/>; and “10 U.S. Code § 2922a - Contracts for energy or fuel for military installations,” Cornell Law School, <https://www.law.cornell.edu/uscode/text/10/2922a>.

⁸¹ SDEF (2001).

- **McKinsey** (2011): A fellow assigned to the consulting firm McKinsey recommended that the DoD “Leverage consulting firm’s expertise and objectivity – outsourcing is a positive action.”⁸²
- **Norfolk Southern** (2018): A fellow assigned to the railroad firm Norfolk Southern recommended that the DoD consider expanding their usage of railroads: “Explore rail as [a] post to port strategic transportation option.”⁸³ At the time, the company’s website advertised that it “Ship[s] from seaports to military installations all across America.”⁸⁴
- **Oracle** (2004): A fellow assigned to the technology firm Oracle recommended that the DoD “Accelerate [the] outsourcing of IT infrastructure.” A key component of Oracle’s corporate strategy at this time was to “Grow [their] DoD relationship from ‘vendor of choice’ to ‘trusted strategic partner.’”⁸⁵
- **SpaceX** (2011): In an era where SpaceX was still struggling to compete for contracts, a SpaceX fellow recommended that the “Government needs to cultivate new [contracting] market entrants... SpaceX alone could save upwards of a billion dollars a year in launch costs.”⁸⁶

Revolving door

From the opening orientations to the final policy recommendations, the influence of corporate interests in the SDEF program is everywhere. Yet the effects of this arrangement do not end here. Former SDEF fellows have a pronounced tendency to re-enter the military-industrial complex after leaving military service.

⁸² SDEF (2011).

⁸³ SDEF (2018).

⁸⁴ “Government.” Norfolk Southern, archived on August 12, 2018, <https://web.archive.org/web/20180812184606/http://www.norfolksouthern.com/content/ns corp/en/shipping-option s/government.html>.

⁸⁵ SDEF (2004).

⁸⁶ SDEF (2011); and USASpending.gov. “Space Exploration Technologies Corp.”

<https://www.usaspending.gov/recipient/8a3a5525-3218-a488-db0e-4823241ceb90-P/latest>.

Using LinkedIn and other public information, we positively identified the post-fellowship employment records of 190 former SDEF fellows between 1996–2020, a sample covering more than two-thirds of all fellows who went through the program during this time period.⁸⁷ Within this sample of former SDEF fellows, 43 percent went on to work for a government contractor at some point in their post-fellowship career, thus entering the “revolving door” between public service and private profit. In several instances, they went on to work for the exact same company where they had previously served as fellows.

While there is no proper control group to compare this sample to, a Government Accountability Office review found that 2.5 percent of DoD personnel who left between 2014–19 were employed by one of 14 large defense contractors in 2019.⁸⁸ Among the fellows in our sample who participated in the SDEF program between 1996–2020, 6.3 percent were employed by one of those same 14 contractors in 2020. This suggests that former SDEF fellows may be more than twice as likely to be employed at major contractors than former DoD personnel in general.

Some examples stand out. While in the Marine Corps, Clyde Woltman served from 2001–02 as a fellow at defense contractor Pratt & Whitney, where he assisted with the contract for the engine systems of the F-35 jet. Even at this early juncture in his career, job options for soldiers leaving the military were on Woltman’s mind: “...the issue of industry recruitment has often come to my attention throughout my Fellowship.” In his final report, Woltman suggested that the DoD outsource many of its needs. This “would clearly impact thousands of government jobs,” but the government could soften the blow by requiring contractors to “hire recently laid-off government employees...”⁸⁹

⁸⁷ A cut-off of 2020 was applied because those in the most recent classes of SDEF fellows are likely to still be in the military. It is uncommon for fellows to leave the military *immediately* after completing the SDEF program, and thus the most recent former fellows have had little time in their careers to choose to do so.

⁸⁸ “Post-Government Employment Restrictions: DoD Could Further Enhance Its Compliance Efforts Related to Former Employees Working for Defense Contractors” Government Accountability Office, September 2021, <https://www.gao.gov/assets/gao-21-104311.pdf>. (37,032/1,497,882)*100 = 2.47.

⁸⁹ Clyde M. Woltman, “Final Report: United Technologies Corporation,” Secretary of Defense Corporate Fellows Program, June 2002, <https://web.archive.org/web/20120921112748/http://www.ndu.edu/sdcfp/reports/P&W%20Final%20Report.doc>.

Woltman continued working for the Marines after his fellowship, including one position involving “budget submission, aircraft program oversight, policy, legislative affairs and development of strategic plans for Marine Aviation.”⁹⁰ Immediately after leaving the military, he returned to Pratt & Whitney to serve as their director of Navy & Marine Corps programs, thereby working on some of the same issues he worked on inside the Marine Corps. He has continued to work in the sector, first as a senior director at Aerojet Rocketdyne, and now as the CEO of Leonardo Helicopters U.S., whose work includes “managing U.S. government programs.”⁹¹

SDEF fellows receive two briefings about their ethical responsibilities while in the program, one from their service branch and one during the program orientation.⁹² Yet despite the obvious conflicts of interest involved, the SDEF program does not appear to have any precautions in place to mitigate the revolving door ethics issues specific to the program. On the contrary, in line with its philosophy that the government should cooperate closely with industry, the program has effectively endorsed revolving door practices.

Despite the obvious conflicts of interest involved, the SDEF program does not appear to have any precautions in place to mitigate the revolving door ethics issues specific to the program.

In 2003, the SDEF outbrief recommended that the “DoD should encourage career opportunities outside the military with the potential of returning to an appropriate military rank and position,” a move which would grant defense contractors influence over government officials before, during, and after their time in public service.⁹³ The

⁹⁰ “Clyde M. Woltman,” LinkedIn, accessed February 29, 2024, <https://www.linkedin.com/in/clyde-m-woltman-210b6a16/>.

⁹¹ “Clyde M. Woltman,” LinkedIn.

⁹² “Military Education: Improved Oversight and Management Needed for DoD’s Fellowship and Training-with-Industry Programs.” Government Accountability Office, April 2012, <https://www.gao.gov/assets/gao-12-367.pdf>, p. 53.

⁹³ SDEF (2003).

program has also invited one of its largest offenders to speak to new fellows at an orientation. Mark Valentine served as a Microsoft fellow in 2010–11, and then joined the company as the director of their “U.S. Army Team” within less than a month of quitting the military.⁹⁴ Rather than shying away from this cautionary tale of revolving door behavior, the SDEF program invited him to present at their 2020 orientation.⁹⁵

The potential for a firm to re-employ their former fellows once they leave military service provides yet another opportunity for companies to exert influence over SDEF recommendations. To the extent that SDEF materials are publicly available (or shared with participating companies in any way), the host companies are able to evaluate how closely their presentations matched the company’s interests. This creates a perverse incentive for all fellows interested in future re-employment to present their host companies in a positive light, and also to make their policy recommendations adhere closely to their host’s desired policies. This is yet another example of the SDEF program being structured in such a way as to encourage corporate-friendly outcomes.

Conclusion

At the heart of the SDEF program is the belief that public and private sector interests are closely aligned, that what is good for the defense industry is good for national defense. Program materials aim to “treat corporate sponsors as potential extensions to the [national] security apparatus” and, as one fellow argues, to reject an “Us versus Them” mentality in favor of the belief that “Strong US Industry = Strong US Economy = Safe and Secure World.”⁹⁶ Thus, advocating on behalf of private industry benefits the nation as a whole: the DoD “Should Both Leverage and Promote Industry.”⁹⁷

Here, the SDEF program’s refusal to acknowledge the reality of corporate interests in military policy reaches its pinnacle: an explicit endorsement of the military–industrial

⁹⁴ “William Mark Valentine,” LinkedIn, accessed February 29, 2024, <https://www.linkedin.com/in/william-mark-valentine-82707711/>.

⁹⁵ Briggs (2020).

⁹⁶ SDEF (2022 & 2011).

⁹⁷ SDEF (2018). Italics added for emphasis.

complex. President Dwight D. Eisenhower defined the idea as the “conjunction of an immense military establishment and a large arms industry” whose “total influence” can be seen in “every office of the Federal Government.”⁹⁸ Eisenhower intended to warn against such a development; the SDEF program advocates for it.

The SDEF program fails to distinguish between what DoD policy is good for the American public and what DoD policy is good for a small subset of corporate executives and shareholders. In the many instances where the welfare of these two groups clash, the SDEF program can be consistently relied upon to advocate for the latter. In doing so, it has come to serve as an avenue through which corporations can disguise their self-interested policy aspirations as recommendations for a more efficient DoD, heedless of the drastic conflicts of interest created along the way.

The SDEF program fails to distinguish between what DoD policy is good for the American public and what DoD policy is good for a small subset of corporate executives and shareholders.

There is some value in having the DoD look outside of itself for ways to improve, but any program that seeks to do so must ensure that it serves to benefit the DoD and the citizens it answers to, not outside parties with their own agendas. Should the DoD choose to continue the SDEF program, it should enact serious reforms to minimize the conflicts of interest currently embedded within it.

Recommendations

Enforce a “one defense contractor per year” rule: Companies which do business with the DoD pose uniquely strong conflict of interest issues. The SDEF program should either bar major defense contractors from participating entirely, or it should adopt a

⁹⁸ Dwight D. Eisenhower, “Farewell Address,” National Archives, January 17, 1961. <https://www.archives.gov/milestone-documents/president-dwight-d-eisenhowers-farewell-address>.

formalized version of its former claim to only allow participation by one defense contractor a year. This will help end the overrepresentation of contractors in the program, diversify the range of companies that fellows can learn from, and produce better policy recommendations.

Bar fellows from working in “government relations” roles: SDEF fellows should not be allowed to work in roles trying to sell products to the government during their fellowships. This includes the public sector-facing offices of contractors, “government relations” positions seeking to strengthen “relationships” with the government, and any other position aiming to influence government policymaking. These assignments put fellows in a situation in which conflicts of interest are nearly unavoidable.

Explore post-employment restrictions for former fellows: The fact that fellows can use their time in the SDEF program to acquire private sector jobs dealing with DoD programs creates serious ethical issues. If the DoD continues to send its officers into the private sector in the middle of their military careers, they should explore expanded post-employment restrictions for former SDEF fellows looking to work at government contractors, and in lobbying roles more generally. At the very minimum, former SDEF fellows should be barred from employment at the host company where they were once fellows.

Re-balance orientations: SDEF orientations should be free of both undue corporate influence and political bias. Individual companies should not be given disproportionate speaking roles, and orientations should never occur within their offices. Outside organizations whose financial structure gives them an interest in promoting certain outcomes should not help to organize the events. Finally, greater effort is needed to balance the political viewpoints of invited speakers.

Rationalize program size: The DoD should determine how valuable the SDEF program has been in terms of promoting truly useful reforms, and then rightsize the program appropriately. Has tripling the size of each cohort tripled the value of the program? Does

having three times as many fellows each year lead to three times as many original, high-quality suggestions? If not, then the program may need to be downsized, with more emphasis placed on the quality of each fellow's contributions rather than the quantity of fellows. Indeed, if the program cannot point to any concrete examples of positive change it has produced, policymakers should consider abolishing it outright.

Annex I: SDEF Outbriefs

All SDEF outbriefs are available online on the website of the Assistant Secretary of Defense for Readiness

(<https://prhome.defense.gov/Readiness/Organization/FET/SDEF/Outbriefs/>). Below are the citations for those which were cited in the report.

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