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Pentagon Brass and Military Contractors' Gold



Associated Press

By LESLIE WAYNE

Edward C. Aldridge's storied career exemplifies the dizzying spins of the revolving door between the Pentagon and its military contractors. He has been secretary of the Air Force, president of the McDonnell Douglas Corporation and, most recently, an under secretary of defense.

Now, he is a member of the Lockheed Martin Corporation board, a detail that did not prevent him from being named to head President Bush's commission on space exploration. Lockheed is one of NASA's biggest contractors, and only Senator John McCain, Republican of Arizona, objected and called for Mr. Aldridge's removal, complaining of conflict of interest.

But Mr. Aldridge, who receives \$155,000 a year from Lockheed and owns \$115,000 in company stock, stayed put. Last month, the commission called for privatizing much of NASA. One of the biggest potential beneficiaries is United Space Alliance, a Lockheed company that operates the space

shuttle and does more business with NASA than any other contractor.

Mr. Aldridge brushes off criticism of his roles, saying that his actions are in compliance with current ethics laws.

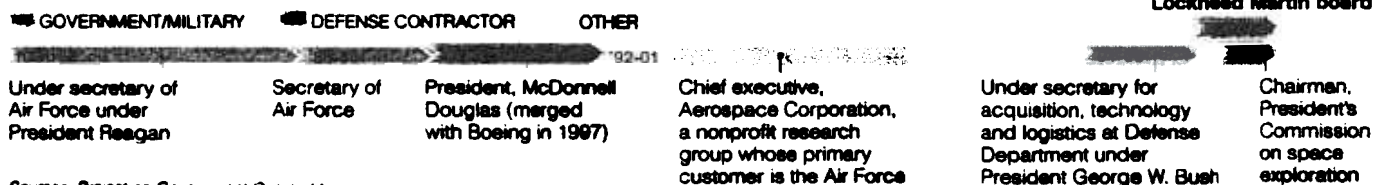
"It doesn't bother me, and I don't give it any credibility," he said in a telephone interview. "The space commission's agenda is for the next 50 years. We didn't get into any issues on who will be bidding on contracts down the road. We just want to create vision for success and what is right for NASA."

For years, the revolving door between the Pentagon and military contractors has spun without much notice in Washington. But the multiple roles played by top Pentagon and government officials, like Mr. Aldridge, who have joined the ranks of military contractors as executives, board members and lobbyists, are now coming under closer scrutiny after a top Air Force official negotiated a lucrative job contract with the Boeing Company while still overseeing Boeing business. This is not the first

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One Man's Deft Journey

Edward C. Aldridge, above, who worked under Defense Secretary Donald H. Rumsfeld until last year, now sits on the board at Lockheed Martin, which gets more than \$20 billion a year in military contracts. Mr. Aldridge, known as Pete, also serves on the space advisory commission, which just recommended privatizing much of NASA's work, a potential boon to Lockheed.



Sources: Project on Government Oversight; Lockheed Martin; Bloomberg Financial Markets

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time Mr. Aldridge's actions have raised eyebrows. Last year, in the month before he left the Pentagon for Lockheed's board, Mr. Aldridge approved a \$3 billion contract to build 20 Lockheed F/A-22's, after having long criticized the program as overpriced and having threatened to cancel it.

While the number of people who make such transitions is not tracked by the government, the Project on Government Oversight, a Washington nonprofit group that studies military spending, will issue a report to-day showing that 288 top government officials since 1997 have taken positions at the 20 largest military contractors at levels high enough that they were disclosed in federal regulatory filings.

The infusion at such companies as Lockheed, Boeing, Northrop Grumman and Raytheon makes it difficult "to determine where the government stops and the private sector begins," the report states.

On Capitol Hill, Senator McCain, who heads the Senate Commerce Committee, will hold Congressional hearings soon on the Pentagon's revolving door, the first on the subject in nearly a dozen years. Senator Robert C. Byrd, Democrat of West Virginia, tried to insert a provision into the 2005 Pentagon spending bill last week to tighten ethics laws, but his effort was beaten back by stiff opposition.

"The potential for abuse is enormous," said Senator Byrd, who added that the relationship between military contractors and the Pentagon is "too close, too chummy."

Under current law, government officials who make contracting decisions must either wait a year before joining a military contractor or, if they want to switch immediately, must start in an affiliate or division unrelated to their government work. One big loophole is that these restrictions do not apply to many high-level policy makers, like Mr. Aldridge, who can join corporations or their boards without waiting.

Senator Byrd's proposal would have extended the waiting period to two years, and made it apply to many policy makers like Mr. Aldridge. The proposal would also have eliminated the provision exempting government employees from the waiting period if their new jobs were in a division unrelated to their government work.

Even the Bush administration, which has been criticized for its close ties to corporate America, is siding with some of the critics. Defense Secretary Donald H. Rumsfeld has called for the Pentagon general counsel's office to look into the rules and regulations governing negotiations between top-level government officials and the military contractors who might want to hire them.

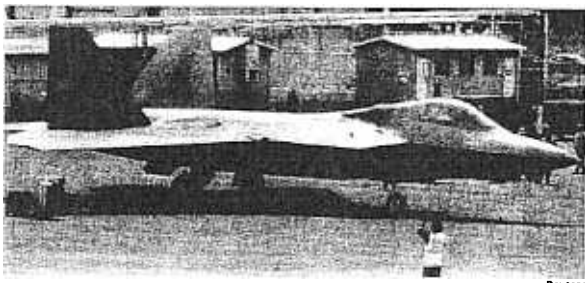
The White House issued an executive order this year making it more difficult for senior administration officials seeking employment with government contractors to get waivers exempting them from many of the ethics rules as they negotiated their post-government jobs.

"The president is committed to the highest standards of ethical conduct, including avoiding financial conflicts of interest," said Andrew H. Card, White House chief of staff, who drafted the executive order. "Compliance with the highest standards in connection with negotiations for post-government employment" is a "particularly important aspect" of a civil servant's duties, Mr. Card said.

The study from the Project on Government Oversight is the most comprehensive on the subject, and a



Edward C. Aldridge, chairman of the space exploration commission, center, is also a board member at Lockheed, a big NASA contractor.



Before Edward C. Aldridge left the government for Lockheed, he approved a contract for 20 Lockheed F/A-22's like the one above.

comparison with previous years is difficult. But, Danielle Brian, executive director of the project, said that at the Pentagon, "it's a given that the second half of one's career will be in industry, and it wasn't always that way."

"We don't want our government filled with people who are using their government positions as a stepping-stone to making money in the private sector," she said. "Yet this issue has been off everyone's radar screen for so long, it's turning into the normal protocol with military contractors."

The steady march along the Potomac from the Pentagon to military contractors has its defenders. Steven Kelman, a professor at the Kennedy School of Government at Harvard, said the revolving door enabled hard-

vill, the former chairman of the Joint Chiefs of Staff, who is a member of the boards of other military contractors, including United Defense Industries and L-3 Communications. Boeing also has Rudy F. deLeon, former deputy secretary of defense.

Over at Northrop, there is Gen. John T. Chain, a retired commander of the Strategic Air Command, while General Dynamics has Paul Kaminski, a former defense under secretary, and former Lt. Gen. David K. Heebner, who was an Army assistant vice chief of staff.

To some, this is all for the better. "Personally, I'm offended by the criticism," said Thomas Jurkowsky, a Lockheed spokesman and a former rear admiral and chief of naval information. "I interpret it as someone questioning my integrity. At Lockheed, there are ethics policies and rules in place, and certainly they are more than sufficient. People know what is right and what is wrong."

The swiftness of the opposition to Senator Byrd's efforts shows how hard it will be for him to tighten existing rules — even as he vows to press on.

"We don't want to make people unemployable in whole industries," said Alan Chvotkin, general counsel of the Professional Services Council, a trade group representing government contractors.

Moreover, the revolving door does not just go in one direction, adding another potential area of conflict.

When he took office, Mr. Rumsfeld made clear his preference for corporate expertise in the Pentagon and named executives from military contractors as heads of the three services: James Roche, the secretary of the Air Force, is a former vice president of Northrop Grumman; Gordon England, the secretary of the Navy, is a former executive at General Dynamics; and Thomas P. White, a former secretary of the Army, came from Enron.

It was the first time in recent memory that heads of all three services came directly from government contractors.

A study by the World Policy Institute, a nonprofit research group at the New School University, found

that the Bush administration, in its first year and a half, named 32 appointees who were former executives, paid consultants or major shareholders of top military contractors to top policy-making positions.

William Hartung, author of the study, said a rough comparison showed this exceeded the number of industry-related appointees in either the Clinton administration or the administration of the first President Bush.

"There's a danger when you have too many folks from the corporate world advising you," Mr. Hartung said. "It can lead to inbred decision making that is pro-corporate and anti-taxpayer."

Two members of the influential Defense Policy Board, a quasi-governmental board that advises Mr. Rumsfeld on military strategy, were hired by Boeing as consultants while it was seeking Pentagon approval for a \$20 billion contract for aerial refueling tankers.

An internal Boeing e-mail message indicated that the men, Adm. David Jeremiah, a retired vice chairman of the Joint Chiefs of Staff and a member of five corporate boards, and Gen. Ronald Fogleman, who retired from the Air Force, were to lobby Mr. Rumsfeld's office.

General Fogleman, in an interview, confirmed he was a Boeing consultant, but said he never contacted anyone at the Pentagon on the company's behalf. Still, he did endorse portions of the Boeing tanker plan at a variety of public events. Admiral Jeremiah declined to comment.

Finally, there is Mr. Aldridge. On joining the Lockheed Board, Mr. Aldridge was immediately named by Mr. Rumsfeld to a blue-ribbon panel studying how the Pentagon should buy weapons — including those made by Lockheed, which has received \$142 billion in government contracts in the last seven years.

For nearly a decade, Mr. Aldridge, who prefers to be called Pete, was also a member of the Defense Science Board, another influential group that advises Mr. Rumsfeld on military strategy and whose members are privy to classified information.

Mr. Aldridge recently left the Defense Science Board because it posed a conflict with his role as a director of Global Crossing. Recently, a majority stake in Global Crossing, a telecommunications company emerging from bankruptcy, was acquired by Singapore Telecommunications, which is controlled by the Singapore government.

In fact, Mr. Aldridge's presence at Global Crossing eased government concerns about the sale of the company — and its critical telecommunications networks — to a foreign buyer.

The Singapore deal, which will bring \$100 million to Global Crossing, received Justice Department approval last year after Mr. Aldridge agreed to sit on a special Global Crossing committee to monitor United States security concerns and to give up his work on the Defense Science Board, a powerful but nonpaying seat.

"When I wanted to leave the Pentagon, I first went to the lawyers to see if there were any restrictions, and I had none," said Mr. Aldridge, explaining these moves. Besides, multi-billion-dollar military contracts are reviewed by so many people at the Pentagon that "there is no way to be so blatant and show favoritism," he said.

"The system doesn't allow it."

Concern about a loophole that allows easy job moves.

working government employees to accept low wages, if they knew there was a future benefit. Moreover, Mr. Kelman said, the large number of Pentagon officials working at military contractors infuses those companies with a sense of public purpose.

"Given the lower salaries in government for senior people," said Mr. Kelman, who also works for the Accenture Corporation as a lobbyist promoting closer links between business and government, "if you prevented them from having careers after they left government in the area where they worked, it would be harder to recruit and retain civil servants."

Like baseball teams vying for superstars, top military contractors can each boast of their generals, admirals and Pentagon civilian brass. For instance, Lockheed lays claim to Gen. Joseph W. Raiston, former vice chairman of the Joint Chiefs of Staff. Boeing has Gen. John M. Shalikash-