# **Outsourced Government - The Quiet Revolution**

Examining the Extent of Government-by-Corporate-Contractor

June Sekera Research Fellow

Global Development And Environment Institute, Tufts University

September 2017

www.gdae.org

# **Outsourced Government – The Quiet Revolution**

Examining the Extent of Government-by-Corporate-Contractor

# Introduction and Background

Much of government in the United States is operated by corporate contractors. Private corporations operate programs, deliver services and even manage other contractors. Some citizens receiving public services never encounter a public employee — only private contract workers — and are not even aware they are receiving a government service. While some types of contract procurement have existed since the nation's birth, contracting has changed in nature and grown in scope in the last few decades. Basic governmental functions are now outsourced to for-profit corporations.

From his study of contracted-out government, Paul Verkuil concluded that we have a "crisis of public control" in this country which he described in his 2007 book on how the United States has "outsourced sovereignty." The problem has not been corrected since then; indeed it has been exacerbated, and under the Trump administration promises to worsen.

Yet, Verkuil and others who have studied outsourced government in the US for the last few decades are stymied when trying to identify the full extent of government by corporate contractor. The federal government as a whole does not systematically collect data or report on its outsourcing, so we have conflicting numbers, partial information and a dearth of reliable data.

\* \* \*

For almost four decades, a phalanx of politicians, pundits, and thought leaders of both major political parties has waged a campaign against allegedly bloated government. The dominant narrative is that the federal government has been growing out of control and is broken: they assert that it needs to be fixed and the remedy is to downsize or privatize or both.

Just as the Reagan administration did over thirty years ago, the Trump administration has unleashed an assault on government in general, and its workforce in particular. Reagan told us that "government is the problem, not the solution". The Trump White House said their goal is the "deconstruction of the administrative state." Reagan's actions had two major impacts: the debilitation of government's capability to operate on behalf of the populace and the escalation of third-party government operated by corporate contractors. It is entirely predictable, based on documented experience, that the results will be the same now, over thirty years later.



Government isn't reduced; instead its operations are submerged, as taxpayer dollars go to fund the profits of a burgeoning brigade of federal corporate contractors.

While some government leaders, academic scholars and think tank staffers are aware of this phenomenon, the American public largely is not. And little attempt has been made to inform them. Part of the reason for this public information vacuum is probably because no good data exist to document the extent of corporate contracting; we lack solid numbers to frame and tell the story. But the story is alarming and begs to be broadcast.

Figure 2

The federal government employs nearly two private contractors for every one federal employee

**Contract Workers** 

**Federal Workers** 









As detailed below, it appears that there may be nearly twice as many contract workers as federal workers providing government goods and services. Almost 40% of the federal budget's discretionary spending goes to contractors. In recent years nearly 90% of the budget of the Energy Department and 70% of the budgets of the intelligence services have gone to contractors. While we don't know the specific number of contractors or contract workers, what we do know is that while the

US population has grown by 75% over roughly the last 50 years<sup>iv</sup> and federal spending is five times higher (Dilulio 2014)<sup>v</sup>, the number of federal workers has essentially *not grown at all*. The federal full-time civilian workforce has not increased in absolute numbers in half a century. It is basically the <u>same size as it was in the</u> 1960s, and is less than in the 1980s.<sup>vi</sup>

In January the president ordered a hiring freeze of all non-military federal employees, having his press secretary cite a "dramatic expansion of the federal workforce in recent years." The same order required the Office of Management and Budget to "recommend a long-term plan to reduce the size of the Federal Government's workforce..." In March, the president's budget proposed deep cuts in domestic discretionary funding in order to massively increase defense spending. Cutting the domestic agencies would mean slashing much of the federal civilian workforce focused on providing goods and services to the American people. Later in March, the president announced the creation of the White House Office of American Innovation, with the declared intent of applying business "efficiencies" to the federal government, including privatization of government functions as an option.

Not only are the numbers of private contractors operating the federal government alarming, but their influence and control over federal functions is disturbing. According to Professor Janine R. Wedel, who has studied the outsourcing phenomenon, "...Once, government contractors primarily sold military parts, prepared food, or printed government reports. Today, contractors routinely perform 'inherently governmental' functions—activities that involve 'the exercise of sovereign government authority or the establishment of procedures and processes related to the oversight of monetary transactions or entitlements.' (OMB 2003)...In short, the outsourcing of many inherently governmental functions is now routine [and] potentially erodes the government's ability to operate in the public and national interests."

Where government falls down in its performance, the cause is often traceable to contractors. Of the 32 federal programs that the Government Accountability Office (GAO) considered "high-risk" in 2015 because of "waste, fraud, abuse, cost overruns, persistent performance and management failures," 28 of those 32 high-risk federal programs work through contractors. As one observer of the assault on government has said, what most people think of as the "dysfunction" of government is the result of years of strategic effort.

In recent years, the response to the ballooning of outsourced government has been to recommend increased oversight of the contractors, specifically of Department of Defense (DOD) contractors, and to improve the employment conditions of contract workers. For example, according to the Government Accountability Office, Congress has passed several laws to increase oversight of contractors working for DOD, including requiring DOD to justify its mix of government personnel and contractors, to submit an annual inventory of contracts with detailed information about the numbers of contract employees, and to perform a review to ensure that contractors are not performing inherently governmental functions.<sup>xi</sup>

Additionally, the Obama Administration issued executive orders to increase the minimum wage federal government contractors must pay their employees on all federal construction and service contracts to \$10.10 per hour and required them to provide paid sick leave. (However, these orders are being repealed by

Republicans in Congress. And the Obama-era "Fair Pay and Safe Workplaces" executive order, which applied to federal contractors, has been revoked by Trump. xii)

While laudable, this approach of trying to improve contractor behavior misses the bigger picture. The American polity is losing control over a bedrock of the nation's democracy: our constitutional foundation of governance. What we are seeing is the "outsourcing of sovereignty," as Paul Verkuil has put it. Government's operation is being removed from the hands of civil servants who take an oath of office to support and defend the constitution, and handed over to workers whose loyalty is – as it must be – with their corporate employers whose mission is to make a profit.

This is not only an outsourcing of sovereignty, it also has financial consequences: research has shown that contracting out frequently costs taxpayers more than direct government provision. A study by the Project on Government Oversight in 2011 showed that the federal government pays contractors at rates 1.83 times greater than federal employees' total compensation, and more than 2 times the total compensation paid in the private sector for comparable services<sup>xiii</sup>. With contracted-out government, public agencies also lose critical capacity in terms of skills and knowledge, expertise and institutional memory. As privatization increases, the inherent conflict of interest of profit motive over public interest becomes increasingly entrenched.

Clearly the policy of simply trying to improve the oversight and role of private contractors in government operations has not been effective. The question is how to rebalance the way government is operated and restore the public interest as the driving force.

This brief provides an overview of the limited amount of existing data on the number of federal government personnel compared to the number of private contractors. It also provides data on the amount of taxpayer

money flowing to private contractors. Data is provided on civilian federal workers overall as well as specifically on civilian workers in the Department of Defense, given the significant funding increase in Defense funding proposed by the Trump Administration.

We conducted a review of secondary sources, including numerous official government reports from the Government Accountability Office, the Congressional Budget Office, the Congressional Research Service, and the Office of Management and Budget. We traced all data points in secondary sources back to original data sources, which are discussed below.

Our review revealed data deficiencies, including inconsistencies in the data on the size of the contractor workforce and under-reporting on

The time has come to stop simply trying to improve the oversight and role of private contractors in government operations, but to rebalance the way government is operated and put the public interest back in the driver's seat.

federal expenditures on contractors. Until legislation<sup>1</sup> is enacted to require full reporting on contracted-out government, policy makers and reformers will be stymied in their efforts to ascertain exactly how much of the basic responsibilities of government have been given over to corporate management, and will be handicapped in taking action to rectify abuses and rein in counter-productive contracting.

<sup>&</sup>lt;sup>1</sup> In 2009 Rep. John Sarbanes introduced the CLEAN-UP Act ("Correction of Long-Standing Errors in Agencies' Unsustainable Procurements Act"), HR 2736, which included a requirement for federal agencies to produce an annual report on service contracts.

## Data and Limitations of the Datasets

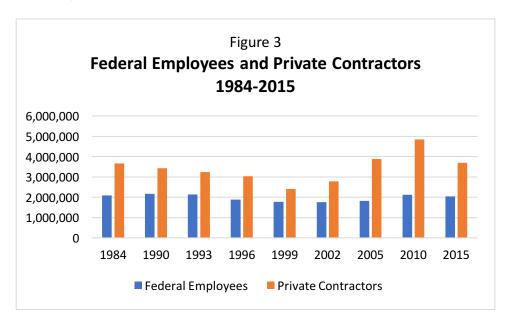
#### Federal Government Overall

#### Workforce data on federal employees and private contractors

The federal civilian workforce (not including postal workers) has hovered around 2 million employees since 1951—for over 60 years. According to the Office of Personnel Management (OPM) – the human resources department for the federal government – federal employees reached a high of 2.252 million in 1985 during the Reagan years and a low of 1.778 million in 2000 toward the end of the Clinton presidency. xiv,xv

Identifying the number of private contractors working for the federal government is much trickier and has been attempted by very few people, most notably Dr. Paul C. Light at the Robert F. Wagner School of Public Service at New York University. Dr. Light first estimated the number of federal contractor-generated jobs in the early 2000's, using federal procurement data assembled by the U.S. Bureau of Economic Analysis and others, and generally found a ratio of about 4 to 1 in some years and 3 to 1 in other years.\*

However, in a paper posted online in 2016, Dr. Light explained that the BEA regional input/output model on which he had based his original estimates included "direct, indirect and induced employment created by... economic activity." In the 2016 posting Dr. Light modified his methodology and updated his estimates for 1984 -2015. \*\*Viii\*\* Dr. Light's most recent estimate of federal contract workers is 3,702,000 in 2015, and 2,042,000 federal employees, \*\*viii\*\* a ratio of 1.81 to 1, or nearly two contractors for every one government employee. According to Light's new, re-worked estimates, the number of private contractors has ranged from a high of 4.845 million in 2010 (2.28 for every one federal worker) as a result of the rapid, mostly private build-up of the US Department of Homeland Security in response to the terrorist attacks of September 11, 2001--to a low of 2.4 million in 1999 (1.35 for every one federal worker) due to President Clinton's downsizing of the federal government (see Figure 3 below). Dr. Light's previously published estimates had shown a high of 7,634,000 contract workers in 2005 compared to 1,872,000 federal civil servants, for a ratio of 4 to 1. (Contractors provide commercial goods and services [e.g., building weapons] as well as perform basic governmental functions [e.g., writing regulations]\*\*ix\*, but, as noted earlier, scholars have noted a trend toward increased contracting out of basic governmental functions.)



Source: Online paper by Dr. Paul C. Light posted in 2016, "The Government-Industrial Complex, 1984-2015," xxx

#### Financial expenditures

According to the most widely-cited estimates, the federal government spent about \$500 billion on private contractors in 2012<sup>xxi</sup>. This amount was up from about \$300 billion in 2003-04.<sup>xxii</sup> The most recent estimate, which is from a 2017 Government Accountability Office (GAO) report, pegs federal contractor expenditures at \$438 billion for FY 2015<sup>xxiii</sup>. This amount represented almost 40% of government's discretionary spending. The GAO report also distinguished spending on contracts for goods from contracts for services. Among civilian agencies, 80% of contractor expenditures were for services, of which "professional support services" was the largest category, and noted that "contractors performing these types of services are at a heightened risk of performing inherently governmental work."<sup>xxiv</sup>

Numerous sources have pointed out that the data on the amount of taxpayer dollars the federal government spends on private contractors is incomplete and unreliable. The most comprehensive source of government-wide procurement data is the Federal Procurement Data System-Next Generation. However, this dataset has several limitations including missing, inaccurate and untimely data due to inconsistent and variable data entered into the system by dozens of different agencies; inconsistent definitions, protocols, and policies across the entering agencies; and difficulty using the system and accessing the data. Various federal agencies such as OMB and the Congressional Research Service have documented these issues and made recommendations for improvement—usually at the request of members of Congress seeking to improve data and transparency. The requests, however, have not resulted in reliable, comprehensive, informative data.

### U.S. Department of Defense

Given the significant increase in funding to the Department of Defense (DOD) proposed by the Trump Administration, it is worth looking at the numbers of employees and private contractors in this agency specifically. DOD already is the federal government's largest purchaser of contractor-provided services. In order to get a better understanding of the significant dollars flowing through the DOD to private contractors, in the National Defense Authorization Act for Fiscal Year 2002, Congress "required the Secretary of Defense to establish a data collection system to provide management information on each purchase of services by a military department or defense agency." The purpose of this legislation was to help ensure that the defense of the United States did not rely too heavily on private contractors.

In theory, with this data system and contract inventory, DOD should have accurate and reliable information on private contracts and contractors. However, this is not the case. The DOD's Inventory of Contracts for Services (ICS) is plagued with similar problems as are in the Federal Procurement Data System–Next Generation. DOD departments, i.e., Army, Navy, Airforce, do not enter timely, complete, or accurate information. There are inconsistent protocols for data entry across the departments. For example, in some cases, the contractors themselves enter data into the database, and in others, government personnel do the entry or estimates.

Additionally, data policies within each department mean that some types of contracts are not included in the database, such as "contracts for products, as well as service contracts that are related to facilities." Also, in some cases, contracts below a certain dollar threshold are not included. For example, the Navy excludes contract below \$100,000, which leaves out billions of dollars of contracts.

Due to the unknown level of accuracy of the DOD data, the numbers below include data from the official DOD database (based on reports in secondary sources) as well as estimates independently calculated by others. Readers should be forewarned that this produces a wide range of estimates on the numbers of DOD contractors compared to civilian personal.

A 2015 confidential study on the DOD conducted by McKinsey and Company for the Defense Business Board, a federal advisory panel of corporate executives, using DOD data reported that in 2014/2015, DOD employed 519,224 full-time contracted personnel (across the Army, Navy, and Air Force). This compares to 742,000 DOD civilian employees, as reported on the DOD website. Assuming these numbers were fairly comparable across the last couple years, this means that about 41% of DOD services were performed by contractors.

However, this number is low compared to a similar analysis by the GAO in 2013. It found that, "In its inventory for fiscal year 2011, DOD reported that about 710,000 contractor FTEs (full-time equivalents) were performing various functions under contracts for services—which equal to about 90 percent of the size of DOD's civilian workforce of 807,000 for that same fiscal year." \*\*xxxiv\*\*

Both of the above estimates of the number of private contractors for DOD (using DOD data) are low compared to external, independent estimates. Dr. Paul C. Light has recently estimated that there were 2.2 million DOD contractors in 2015, xxxv which is three to four times higher than estimates using flawed official DOD data. Light estimated that there were 725,000 federal Defense employees in 2015. If his numbers are correct, this means that the ratio of contract workers to government employees was over 3 to 1 in 2015.

In terms of DOD spending on private contractors, according to the Congressional Budget Office, in 2012, DOD reportedly spent \$129 billion in service contracts with private contractors. The share of DOD spending on contracts rose from 47% in 2000 to 56% in 2012\*\*\*\*\*\*\*. Both of these data points are based on information in the DOD ICS dataset. Given the limitations of this dataset described above, it is likely that these figures are significantly underestimated.

# Conclusion

Available data indicate that a large swath of federal government operations is handled by corporate contractors whose intrinsic purpose is to maximize profits for shareholders rather than to serve the public interest. Contractors do not merely build missiles and mow lawns for the government; they are performing inherently governmental functions, which weakens public control over government, undermining the constitutional basis of our democracy. XXXXVIII

Forty years ago observers of this phenomenon warned about the dangers of contracted-out government. One, Ronald Moe, writing about privatization under Clinton's Reinventing Government initiative, cautioned that contracting out could "break the public law basis of an agency's mission... The management of the executive branch is not like the management of General Electric or the Ritz-Carlton Hotels. The mission of government agencies is determined by the representatives of the people..." Moe predicted that, with privatization, "contractors and consultants will enjoy even greater management responsibilities for government programs" and that the result would be "a government much less accountable to the citizens for its performance." Since Moe issued his warnings, the practice of privatization has expanded and has been ingrained as the accepted modus operandus of government, under the exhortation that "government should be run like a business".

The assault on government, its capabilities and its democratic, constitutional foundation has been waged under various banners including Reagan's "government is the problem, not the solution," Clinton's "Reinventing Government," Bush's mammoth outsourcing drive, and Obama's attempts to downsize the federal workforce.

As with most wars, some bystanders and combatants have suffered and some have gained. In this war, the American people are paying the price in many ways including: compromised intelligence which threatens our

national security (e.g., multiple leaks of classified information by private contract workers); deterioration of <u>library services</u>; taxpayers being <u>penalized for carpooling</u> on contractor-controlled tolled roads; <u>policing for private profit</u>; fee-gouging and other actions by corporate contractors that <u>drive up the cost of student loans</u>.

While the people pay the price for contracted-out government, private corporations have profited handsomely from their government contracts. The winners have ranged from the corporations who operate the prison-industrial complex, to corporate water suppliers who replace public systems and <u>raise costs</u>, to the defense contractors and other businesses that run much of the United States' intelligence services. The majority of some corporations' income comes from taxpayers. For example, 99 percent of Booz Allen Hamilton's revenue is from government. \*\*xxxix\*\*

While some political leaders and scholarly observers have raised alarms about this transference of power and authority, the proposed responses by legislators and academics have shown a pattern of retreat. Before the retreat, there had been activity and intent to engage with the fundamental problem of contracted-out government and curtail it (see Senate hearings in 2002 and 2012). Legislative activity and policy more recently has retreated to attempts to merely increase oversight of DOD contractors and to regulate employment conditions for contract workers across federal agencies. Those attempts have not only proved futile (since they are now being dismantled) but are arguably a misplacement of legislative effort. Even in the unlikely case that employment conditions of contract workers could be improved, that does not address the problem of profit-driven corporations wielding power, influence and, ultimately, control over what was constitutionally founded to be a government by and for the people.

~ ~ ~

#### **Endnotes**

- Paul R. Verkuil, Outsourcing Sovereignty; Why privatization of government functions threatens democracy and what we can do about it, Cambridge University Press, 2007.
- "General Accountability Office, "Contracting Data Analysis; Assessment of Government-wide Trends", March 2017, pg 1; <a href="https://www.gao.gov/assets/690/683273.pdf">https://www.gao.gov/assets/690/683273.pdf</a>.
- Janine R. Wedel, "Federalist No. 70: Where Does the Public Service Begin and End?," *Public Administration Review* Vol. 71, Supplement to Volume 71: The Federalist Papers Revised for Twenty-First-Century Reality, December 2011, pp. S118-S127.
- iv US Population by Year, <a href="http://www.multpl.com/united-states-population/table">http://www.multpl.com/united-states-population/table</a>. We used the years 1960 and 2013 in order to align with John. J. Dilulio's data on the federal budget increase; see next footnote.
- <sup>v</sup> John J. Dilulio, Jr. Bring Back the Bureaucrats, Why More Federal Workers Will Lead to Better (and Smaller!) Government, Templeton Press, 2014, p 13.
- vi United States Office of Personnel Management, "Data, Analysis & Documentation; Federal Employment Reports", <a href="https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/historical-tables/executive-branch-civilian-employment-since-1940/">https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/historical-tables/executive-branch-civilian-employment-since-1940/</a>.
- The White House Office of the Press Secretary, "Presidential Memorandum Regarding the Hiring Freeze," January 23, 2017, <a href="https://www.whitehouse.gov/the-press-office/2017/01/23/presidential-memorandum-regarding-hiring-freeze">https://www.whitehouse.gov/the-press-office/2017/01/23/presidential-memorandum-regarding-hiring-freeze</a>.
- Viii Janine R. Wedel, "Federalist No. 70: Where Does the Public Service Begin and End?," Public Administration Review Vol. 71, Supplement to Volume 71: The Federalist Papers Revised for Twenty-First-Century Reality, December 2011, pp. S118-S127.
- ix John J. Dilulio, Jr, "Against Federal 'Leviathan by Proxy' and for a Bigger, Better Full-Time Federal Workforce," *Public Administration Review* (76)4; July/August 2016, pp. 535-537.
- <sup>x</sup> Sam Tanenhaus, "The Architect of the Radical Right," *The Atlantic*, July/August 2017.
- xi Government Accountability Office, Human Capital: Additional Steps Needed to Help Determine the Right Size and Composition of DOD's Total Workforce, May 2013, http://www.gao.gov/assets/660/654879.pdf.
- xii "Trump quietly revoked Fair Pay order" New York Times April 4, 2017; "Trump Signs Legislation and Issues Order Ending Obama-Era Fair Pay and Safe Workplaces Executive Order", jacksonlewis.com, March 28, 2017.
- Paul Chassy and Scott Amey, *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*, Project on Government Oversight, September 13, 2011, <a href="http://www.pogo.org/our-work/reports/2011/co-gp-20110913.html">http://www.pogo.org/our-work/reports/2011/co-gp-20110913.html</a>.
- viv United States Office of Personnel Management, "Historical Federal Workforce Tables -- Executive Branch Civilian Employment Since 1940, <a href="https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/historical-tables/executive-branch-civilian-employment-since-1940/">https://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/historical-tables/executive-branch-civilian-employment-since-1940/</a>, accessed May 18, 2017.
- The federal OPM is a very accessible and reliable dataset. Another dataset on employees, including those working for the federal government, is the Bureau of Labor Statistics (BLS) "Current Employment Statistics" from BLS' Establishment Survey of employers; its numbers on federal civilian employees are similar to those of OPM. See the Bureau of Labor Statistics' Current Employment Statistic Establishment Data, "Table B-1a. Employees on nonfarm payrolls by industry sector and selected industry detail, seasonally adjusted," as of April 2017, <a href="https://www.bls.gov/web/empsit/ceseeb1a.htm">https://www.bls.gov/web/empsit/ceseeb1a.htm</a>, accessed May 18, 2017. Note: scroll to the very bottom of the table for data on government personnel.
- xvi Paul C. Light, "The New True Size of Government" August 2006,
- https://wagner.nyu.edu/files/performance/True%20Size%20Research%20Brief.pdf; Paul C. Light, "Open Letter to the Presidential Candidates," Huffington Post, June 25, 2008.
- For a detailed description of Light's methodology, see footnote 6 in Paul C. Light, "The Government-Industrial Complex, 1984-2015," online draft paper http://media.npr.org/assets/news/2016/11/light.pdf.
- <sup>xviii</sup> Paul C. Light online draft book chapter, "The Government-Industrial Complex, 1984-2015," http://media.npr.org/assets/news/2016/11/light.pdf.
- xix Dan Guttman, "Government by Contract," Johns Hopkins University Center for Advance Governmental Studies, 2011.
- xx Online draft book chapter by Dr. Paul C. Light, "The Government-Industrial Complex, 1984-2015," accessed April 20, 2017 and April 30, 2017. The link was available at "Trump Wants A Federal Hiring Freeze, But It May Not Save Money" by Yuki Noguchi, NPR, November 21, 2016 and was live in April 2017 but has since been disabled.
- Robert Hiltonsmith and Lew Daly, *Underwriting Good Jobs: How to Place Over 20 Million Americans on a Pathway to the Middle Class Using Federal Purchasing Power*, Demos, June 18, 2014, <a href="http://www.demos.org/publication/underwriting-good-jobs-how-place-over-20-million-americans-pathway-middle-class-using-fe">http://www.demos.org/publication/underwriting-good-jobs-how-place-over-20-million-americans-pathway-middle-class-using-fe</a>. Also see the letter, "Federal Contracts and the Contracted Workforce," addressed to Representative Chris Van Hollen, from Douglas W. Elmendorf, Director of the Congressional Budget Office, dated March 11, 2015, <a href="https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf">https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf</a>.
- Katherine V. Schinasi, "Improvements Needed to the Federal Procurement Data System-Next Generation," letter from the United States Government Accountability Office to Joshua B. Bolten, Director, Office of Management and Budget, September 27, 2005, http://www.gao.gov/assets/100/93613.pdf.
- United States Government Accountability Office, Contracting Data Analysis; Assessment of Government-wide Trends, March 2017, https://www.gao.gov/assets/690/683273.pdf.

Kara See the following reports. United States Government Accountability Office, Contracting Strategies: Data and Oversight Problems Hamper Opportunities to Leverage Value of Interagency and Enterprisewide Contracts, GAO-10-367, April 29, 2010, http://www.gao.gov/assets/310/303900.pdf. United States Government Accountability Office, Federal Contracting: Observations on the Government's Contracting Data Systems, GAO-09-1032T, September 29, 2009, http://www.gao.gov/assets/130/123442.pdf. United States Government Accountability Office, Improvements Needed to the Federal Procurement Data System-Next Generation, GAO-05-960R, September 27, 2005, http://www.gao.gov/assets/100/93613.pdf. L. Elaine Halchin, Transforming Government Acquisition Systems: Overview and Selected Issues, Report for Congress R43111, Congressional Research Service, June 2013, https://fas.org/sgp/crs/misc/R43111.pdf. Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, Report of the Acquisition Advisory Panel to the Office of Federal Procurement Policy and the United States Congress, January 2007, https://babel.hathitrust.org/cgi/pt?id=mdp.39015082228654;view=1up;seq=11, United States Government Accountability Office, Data Transparency: Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website, (Government Accountability Office, June 2014).

united States Government Accountability Office, *Defense Contractors: Additional Actions Needed to Facilitate the Use of DOD's Inventory of Contracted Services*, November 2014, <a href="http://www.gao.gov/assets/670/667059.pdf">http://www.gao.gov/assets/670/667059.pdf</a>. Also see John P. Hutton and William Solis, *Defense Acquisitions: Observations on the Department of Defense Service Contract Inventories for Fiscal Year 2008*, United States Government Accountability Office, January 29, 2010, <a href="http://www.gao.gov/new.items/d10350r.pdf">http://www.gao.gov/new.items/d10350r.pdf</a>.

united States Government Accountability Office, *Defense Contractors: Additional Actions Needed to Facilitate the Use of DOD's Inventory of Contracted Services*, November 2014, <a href="http://www.gao.gov/assets/670/667059.pdf">http://www.gao.gov/assets/670/667059.pdf</a>.

united States Government Accountability Office, Defense Contractors: Additional Actions Needed to Facilitate the Use of DOD's Inventory of Contracted Services, November 2014, <a href="http://www.gao.gov/assets/670/667059.pdf">http://www.gao.gov/assets/670/667059.pdf</a>.

Douglas W. Elmendorf, "Federal Contracts and the Contracted Workforce," letter addressed to Representative Chris Van Hollen, from the Director of the Congressional Budget Office, March 11, 2015, <a href="https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf">https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf</a>.

Douglas W. Elmendorf, "Federal Contracts and the Contracted Workforce," letter addressed to Representative Chris Van Hollen, from the Director of the Congressional Budget Office, March 11, 2015, <a href="https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf">https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf</a>.

John P. Hutton and William Solis, *Defense Acquisitions: Observations on the Department of Defense Service Contract Inventories for Fiscal Year 2008*, United States Government Accountability Office, January 29, 2010, <a href="https://www.gao.gov/new.items/d10350r.pdf">https://www.gao.gov/new.items/d10350r.pdf</a>.

craig Whitlock and Bob Woodward, "Pentagon buries evidence of \$125 billion in bureaucratic waste," Washington Post, December 5, 2016, <a href="http://wapo.st/2gWkPdy">http://wapo.st/2gWkPdy</a>. The McKinsey and Company/Defense Business Board PowerPoint presentation summarizing the report (which has been removed from the DOD website) is entitled, "Transforming DOD's Core Business Processes for Revolutionary Change," dated January 22, 2015, and posted on the Washington Post website,

 $\underline{\text{http://apps.washingtonpost.com/g/documents/investigations/defense-business-board-study-from-jan-2015-identifying-125-billion-inwaste/2236/?ref.}$ 

"About the Department of Defense" webpage, <a href="www.defense.gov/about">www.defense.gov/about</a>, accessed May 19, 2017.

Government Accountability Office, Human Capital: Additional Steps Needed to Help Determine the Right Size and Composition of DOD's Total Workforce, May 2013, <a href="https://www.gao.gov/assets/660/654879.pdf">http://www.gao.gov/assets/660/654879.pdf</a>.

Paul C. Light, "The Government-Industrial Complex, 1984-2015," 2016 online draft paper, http://media.npr.org/assets/news/2016/11/light.pdf.

Douglas W. Elmendorf, "Federal Contracts and the Contracted Workforce," letter addressed to Representative Chris Van Hollen, from the Director of the Congressional Budget Office, March 11, 2015, <a href="https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf">https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49931-FederalContracts.pdf</a>.

Paul R. Verkuil, *Outsourcing Sovereignty; Why privatization of government functions threatens democracy and what we can do about it*, Cambridge University Press, 2007. Laurence E. Lynn Jr.; The Myth of the Bureaucratic Paradigm: What Traditional Public Administration Really Stood For; *Public Administration Review* • March/April 2001, Vol. 61, No. 2; Ronald C. Moe (1994 March-April) "The 'Reinventing Government' exercise: misinterpreting the problem, misjudging the consequences". Public Administration Review 54(2): 111-122.

xxxviii Ronald C. Moe, "'Reinventing Government' Exercise: Misinterpreting the Problem, Misjudging the Consequences," *Public Administration Review*, Vol. 54, No. 2, March-April 1994, pp. 111-122.

caroline Fairchild, "99 Percent of Booz Allen Hamilton's Revenue Comes From The Federal Government," *Huffington Post*, June 10, 2013, <a href="http://www.huffingtonpost.com/2013/06/10/booz-allen-hamilton-revenue\_n\_3415451.html">http://www.huffingtonpost.com/2013/06/10/booz-allen-hamilton-revenue\_n\_3415451.html</a>. Also see Mike Lofgren, "Anatomy of the Deep State," Moyers and Company, February 21, 2014, <a href="http://billmoyers.com/2014/02/21/anatomy-of-the-deep-state/">http://billmoyers.com/2014/02/21/anatomy-of-the-deep-state/</a>.

united States Government Accountability Office, Contracting Data Analysis; Assessment of Government-wide Trends, March 2017, <a href="https://www.gao.gov/assets/690/683273.pdf">https://www.gao.gov/assets/690/683273.pdf</a>.