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KEY FACTS ABOUT CONTRACTORS

Myth

70% of the U.S. intelligence budget is spent on private contractors.

Reality

This is a repeated misconception. 70% of the Intelligence Community (IC) budget is spent on contracts, not contractors. Those contracts cover major acquisitions such as satellites and computer systems, as well as commercial activities such as rent, food service, and facilities maintenance and security.

Myth

The Intelligence Community does not have an accurate picture of its contractor ranks and does not exercise proper oversight over that community.

Reality

The IC is a leader in taking a serious, systematic approach to planning and managing its core contract personnel. In 2006, the IC instituted its first-ever, annual inventory of core contract personnel. The inventory led to intelligence policy directive 612, which (1) reinforces the prohibition on the use of contract personnel to perform inherently governmental activities, (2) prescribes the circumstances in which contract personnel may be used to support IC missions and functions, and, (3) beginning in Fiscal Year 2011, requires IC elements to plan for and project the number of contract personnel they require, as part of their strategic workforce plans.

Myth

Private contractors are inappropriately performing “inherently governmental” functions.

Reality

The Intelligence Community does not condone or permit contract personnel to perform inherently governmental intelligence work, as defined by OMB *Circular A-76* revised, and reinforced recently in Intelligence Community Directive 612. Core contract personnel may perform activities such as collection and analysis; however, it is what you do with that analysis, who makes that decision, and who oversees the work that constitute the “inherently governmental” functions. Allocating funds, prioritizing workload, and making critical decisions remain strictly within the purview of government employees.

Myth

The dramatic increase in the number of security clearances granted to contractors represents unnecessary growth in Intelligence Community ranks.

Reality

The growth in contractors was a direct response to an urgent need for unique expertise post-9/11. The surge in contractors allowed the IC to fill the need for seasoned analysts and collectors while rebuilding the permanent, civilian workforce. It also allowed agencies to meet required skills, such as foreign languages, computer science, and electrical engineering.

Myth

Contractors represent a majority of the Intelligence Community workforce.

Reality

The number of core contractors who augment our civilian and military intelligence staffs comprise less than one-third, actually 28%, of the total force. These core contractors, who perform functions like collection and analysis, and have access to the same facilities, should not be confused with individuals producing commodities or products (e.g., satellites), or performing administrative or IT services.

Myth

The number of security clearances for contractors equals the number of full-time contractors employed by the Intelligence Community.

Reality

You cannot count or track the number of full-time contractors, or understand the level of effort – that is, the amount of time – that contractors spend on IC business, by counting security badges. Some contractors only work part-time on IC business. For example, the IC could issue badges to 10 people who work the equivalent of five full-time individuals.

Myth

All contractors cost more than their government counterparts.

Reality

It is true that core contract personnel are, on average, more expensive than their government counterparts. However, in some cases, contractor personnel are less costly, especially if the work is short-term in nature, easily available commercially, or requires unique expertise for immediate needs. Overall, core contractors enable the Intelligence Community to rapidly expand to meet short-term mission needs or fulfill non-recurring or temporary assignments, and then shrink or shift resources as the threat environment changes.

Myth

The Intelligence Community has enabled retirees to “double dip” by returning to their home agencies at full salary, while receiving full pension.

Reality

The stark reality is that more than 50% of the Intelligence Community workforce was hired after 9/11. That dramatic surge required people with the institutional knowledge and tradecraft to fill skill gaps and train new hires. Much of that expertise existed among our retired ranks, who answered the post-9/11 call to duty as a *de facto* “intelligence reserve corps.” It should be noted that this phenomenon was truer in the years immediately after 9/11 than today. As intelligence officers hired immediately after 9/11 gained more experience, the need to re-hire experienced retirees decreased.