**GAO ENGAGEMENT**: Acquisition Transparency of Department of Defense (DOD) Contractors (102252)

**BACKGROUND**: GAO is conducting a review of the risks posed to the Department of Defense (DOD) by contractors with complex or layered ownership structures, as directed by the House and Senate Armed Services Committees. GAO is the audit and investigative arm of Congress, conducting audits and investigations into the efficiency and effectiveness of federal programs.

As part of our review, we are exploring how a requirement to report additional ownership information could affect contractors. Currently, the Federal Acquisition Regulation requires entities to report their immediate-level and highest-level entity owner when registering to do business with the government. Additionally, section 2876 of the FY18 National Defense Authorization Act (Pub. L. No. 115-91) requires entities to identify the beneficial owner(s) upon submission of a proposal for certain DOD high-security leased spaces. Our work is exploring whether additional ownership information, such as the beneficial owner(s), should be reported for other types of DOD contracts. For the purposes of our review, the beneficial owner is defined as the natural person(s) who directly or indirectly own or control a company, or receive substantial economic benefits.

**PURPOSE:** We are interested in gaining the various perspectives of the parties that would be affected by such requirements to help us understand what burdens any additional reporting requirements might pose. The goal is to include these perspectives into our discussion of what additional reporting requirements would mean to both DOD and its contractors. Contractors who provide input do not need to disclose their identity. To help us identify the types of contractors we’ve received feedback from, we would like to request that respondents indicate whether they are publicly-held or privately-owned and the approximate size of their organization.

**QUESTIONS**:

1. What burdens, if any, would additional requirements to report the beneficial owner(s) when doing business with the Department of Defense pose to your company?

NOTE: Additional requirements refers to information beyond what is currently required by the FAR (e.g. immediate-level and highest-level entity owner). For the purposes of our review, the beneficial owner is defined as the natural person(s) who directly or indirectly own or control a company, or receive substantial economic benefits.

1. Is your company publicly-held or privately-owned?
2. What is your company’s approximate average number of employees?
3. In the past 5 years, have you done business with the Department of Defense?

If you have any questions or would like to provide additional comments, please feel free to reach out to Tracy Abdo at AbdoT@gao.gov.