

The regulation of government contrac



element in government procurement personnel training.²⁴

Extending existing ethics rules to cover government contracts would seem to be the most straightforward solution to the problem. However, certain features of government contracting make it more difficult to apply the basic principles of government ethics regulation to contractors than to traditional executive

branches. First, there is the inherent two masters' problem that US ethics rules were originally created to address.²⁵ Because contractors work for a private employer at the same time they are providing service to the federal government by definition, conflict of interest and outside employment rules cannot be applied to contractors with-

utive branch employees. First, ly, there is the inherent two masters' problem that US ethics rules were originally created to address.²⁵ Because contractors work for a private employer at the same time they are providing service to the federal government by definition, conflict of interest and outside employment rules cannot be applied to contractors with-



that, while they may look and operate differently from the rules for public servants, have a similar effect in deterring abuse.

Inspiration for new models may be found in restructuring within the professional services sector, as firms in consulting, accounting, and other industries that have lessened the emphasis on hierarchy to focus on the types of services that each worker provides to clients. Contractor ethics might also feature a shift towards activity-based compliance requirements, such as are common in securities regulation.²⁶ Under this approach, ethical standards would attach to certain functions and contractual obligations – for example, involvement in procurement or providing advice to a decisionmaker – regardless of whether the work is executed by a contractor or an employee.

While this may be most logical from an ethics standpoint, designing and applying activity-based definitions with respect to the wide range of government functions would present a daunting administrative burden, and new offices or agencies would then need to be created that would have the resources and authority needed to monitor compliance and sanction failures.

Regardless of the approach taken, there is a need to assemble more comprehensive data about the number of workers employed as government contractors, the roles tha

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