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Trading Places

The Benefits, Challenges and Potential of Federal
Public-Private Talent Exchanges



About the Authors

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Executive Summary

The federal government has experimented over the years with public-private talent exchanges—programs that enable federal agencies to deploy civil servants to the private sector, to host private-sector employees on detail, or both. These programs are designed to facilitate cross-sector sharing of ideas, perspectives and skills while improving public service and supporting private enterprise.

By cross-pollinating best practices, public-private talent exchanges can be an effective strategy for bolstering the federal workforce and enabling it to adapt to the vanguard of the private sector, such as rapidly evolving technologies and new management practices. Talent exchanges may be even more important for the government of the future and a new generation of civil servants who are digital natives and seek jobs that offer opportunities for collaboration and professional growth.¹

The promising potential of talent exchanges, however, has yet to be fully realized. Congress has created only a few statutory authorities enabling talent exchanges, providing agencies with little practical opportunity for sharing staff with private-sector partners. More formal access to, experience with and understanding of talent exchanges is necessary to take full advantage of their benefits.

To this end, the Partnership for Public Service in collaboration with EY examined a number of current and previous federal talent exchange initiatives.

Based on in-depth research—including a literature review, analysis of statutory authorities, a series of interviews, and a roundtable discussion with managers of exchange programs and other federal stakeholders—we found that the benefits of well-run talent exchanges may include knowledge sharing, professional development, career advancement, recruitment, retention and cross-sector collaborations. These benefits can strengthen agency workforces, support mission-critical work and foster government effectiveness.

The experiences of the participating agencies, however, also strongly indicate that successful talent exchanges require careful deliberation, a well-designed strategy, a significant management effort, and investments of time and resources. Without such purposeful planning, exchange programs can face hurdles related to policy design, program implementation and administration, conflicts of interest and more, limiting their impact.

This report outlines the benefits and challenges of public-private talent exchange programs as well as strategies to maximize their potential. Because more practical experience with talent exchanges is necessary to realize their full potential, this report recommends that agencies with exchange authorities continue to test the benefits of sharing talent with the private sector. It also recommends that Congress work with agencies seeking an exchange authority to design policies conducive to an ethical and productive program.

In addition, the report offers a set of agency best practices for designing, implementing and administering talent exchanges to help agencies minimize challenges and maximize benefits. Finally, it summarizes the policies of existing and former federal exchange programs and details their ethics guardrails, as well as related recommendations from the Office of Government Ethics.

Continued learning from existing exchanges and additional opportunities to create new programs will help agencies and Congress further understand the full potential of talent exchanges to maximize their advantages and, ultimately, to prepare for a future of government that leverages the benefits of cross-sector collaboration.

Introduction

For one year, a midlevel manager of a Veterans Health Administration medical center spent half his week working at the university hospital across the street where he helped the facility improve its nursing-management practices and referral processes. When he completed the exchange, he continued to collaborate with his cross-sector peers to develop a pilot program to provide free childcare at the university hospital for veterans attending medical appointments at his VHA center—thereby increasing access to healthcare, especially for women and single parents—and subsequently received a promotion.

A civil servant working for the Navy deployed to a for-profit consulting firm for six months. Before the end of her exchange, the COVID-19 pandemic hit, and her host company moved online overnight and trained her how to lead remotely. When she returned to her Navy post, she was prepared to run a fully remote team—consisting of people she has never met face-to-face.

Customs and Border Protection hosted an executive from the Walt Disney Company, who advised the agency on improving the customer experience of passengers arriving from abroad at U.S. airports. New signage, videos and countdown clocks implemented as a result of his crowd management expertise now provide passengers waiting to go through customs with clearer information, helping to manage their expectations and make the experience more pleasant.

All these experiences, and the benefits they created, were the result of active public-private talent exchange programs run by federal agencies.

According to managers and participants of existing talent exchange programs, exchanges can provide a myriad of benefits to agencies, their private-sector partners and individual participants, which can help the federal government realize three priorities of government effectiveness:

- Exposure to new ideas, skills and practices—thereby helping agencies remain current with cutting-edge technology, evolving management practices and other subject matter expertise.
- Cross-sector learning—thereby fostering professional development as well as staff recruitment, engagement and retention.

- Mutually productive cross-sector relationships—thereby better situating agencies to engage in future collaborations with the private sector that can support federal missions and spark economic growth.

At the same time, there are challenges to cross-sector collaborations. Talent exchanges require an investment of time and effort to ensure productive exchange assignments and to avoid potential conflicts of interest, according to government officials with firsthand experience.

This report explores the benefits and challenges of talent exchanges based on the personal accounts of exchange program managers, participants and other stakeholders. It summarizes the federal government’s experience with talent exchanges and—through examples as well as a set of recommendations and best practices—can serve as a guide for agencies seeking an exchange authority, for agencies implementing or managing a program, and for members of Congress considering expansion of these programs.

Public-Private Talent Exchanges vs. Related Workforce Strategies

There are several widely available mechanisms for agencies to achieve the benefits of public-private talent exchanges without an exchange authority.

Agencies can use **short-term employment** options—including temporary appointments, which may not last more than a year, and term appointments, which may be for one to four years—to hire staff on a “tour-of-duty” basis to temporarily bolster their workforce.²

The **Intergovernmental Personnel Act** enables federal agencies to temporarily detail civil servants to and host staff from nonprofit organizations, academic institutions, and state, local and tribal governments—but not the private sector. The salaries of IPA detailees may be paid jointly by the agency and its partner entity or entirely by one of them.³

The **Government Employees Training Act** allows agencies to create training programs through which they can deploy staff to nongovernment facilities, including private-sector companies.⁴ This authority enables training experiences similar to public-to-private exchanges.

Policy Origins and Program Attributes

Like federal hiring, public-private talent exchanges require a statutory authority.⁵ Unlike government hiring authorities, however, there are few current options to institute talent exchanges, and those that exist are available only at select agencies.

While agency-specific, existing programs share a common set of program factors, which are detailed in [Appendix I: Talent Exchange Program Summaries](#). In brief, the typical parameters of talent exchanges are:

- **Exchange Direction:** Through public-private talent exchanges, agencies can deploy civil servants to the private sector, host private-sector staff or do both. For agencies allowed to both deploy civil servants and host private-sector professionals, talent exchanges are rarely if ever truly reciprocal. Exchange logistics make it difficult for agencies to deploy staff to a company while hosting its employees at the same time and vice versa.
- **Exchange Duration, Frequency and Timing:** The statutory authorities of talent exchanges establish their possible duration and whether they can be done on a part-time or full-time basis. The actual length, timing and other details of each exchange, however, are decided by agencies and their private-sector partners. For example, agencies can strategically align the timing of exchanges to match their fiscal year, performance management cycle or other frames of operation.
- **Participant and Partner Qualifications:** Typically, an exchange policy establishes the qualifications for participation. For example, exchanges could be statutorily limited to certain career levels, occupations, expertise or industry.
- **Recruiting:** Recruiting exchange partners and individual participants is based on the aforementioned qualifications as well as several other variables—such as agency priorities and existing cross-sector relationships—and can take a significant amount of time and effort.
- **Application and Selection Processes:** Typically, there is an application process for federal and private-sector exchange participants designed to help agencies ensure a good fit for each exchange. The process generally requires a financial disclosure to identify potential conflicts of interest and ethics training for participants prior to their exchange. Some exchanges also include a security clearance.
- **Exchange Agreements and Ethics Guardrails:** While talent exchange programs are governed by their statutory authority and agency-developed policy documents, the

parameters of individual exchanges are established through exchange agreements between the agency, the private-sector partner and the individual participant. These agreements, typically in the form of a memorandum of understanding, set forth:

- » The duration of the exchange.
 - » The continuance of the exchange participants' salary and benefits.
 - » Guardrails to prevent conflicts of interest and ethics violations.
 - » A security-clearance contingency.
 - » The prohibition of private-sector employees performing inherently governmental work.
 - » A post-exchange service requirement for participating civil servants—which is an agreement to remain in the civil service following the exchange, typically for the length of the exchange or one to two years—and a financial penalty for not meeting it.
- **Reporting Requirements, Exchange Evaluation and Knowledge Dissemination:** Some exchange programs have a statutory requirement directing agencies to report to Congress about each individual exchange. Agencies without such a mandate still may be asked for program metrics by Congress through its oversight function. Agencies also may implement their own mechanisms to evaluate individual exchanges and to share among staff what is learned through them.

Government-Wide Talent Exchange Authorities

Most existing talent exchange authorities were created by Congress for specific agencies. There are, however, two authorities conditionally available government-wide.⁶

The Expert and Consultant Appointment Authority allows agencies, “when authorized by an appropriation or other statute,” to secure the services of experts and consultants for up to one year without pay as long as they agree “in advance in writing to waive any claim for compensation.”⁷ The Department of Homeland Security is authorized to use this mechanism, which is the basis of its private-to-public Loaned Executive exchange program.

The Schedule A(r) hiring authority, meanwhile, enables agencies with authorization from the Office of Personnel Management to establish private-to-public “professional/industry exchange programs that provide for a cross-fertilization between the agency and the private sector to foster mutual understanding, an exchange of ideas, or to bring experienced practitioners to the agency.”⁸ No example of an agency using Schedule A(r) for an exchange could be identified.

Benefits

For agencies, their private-sector partners and individual participants, there are many potential benefits of well-structured talent exchange programs. These benefits—which can be broadly categorized as knowledge sharing, professional development and career advancement, recruitment and retention, and cross-sector relationships and collaboration—are often interrelated and can support mission-critical work.



Knowledge Sharing

Knowledge sharing is the primary benefit of talent exchange programs. New ideas and skills not only contribute to mission achievement, but also are the root of other exchange benefits such as professional development, career advancement and cross-sector collaborations.

For the private sector, exposure to federal policies and programs can inform expectations of working with federal agencies as well as business decisions. It can help companies better understand agencies' goals, challenges and perspectives. In effect, knowledge sharing makes the federal government more transparent, which helps the private sector understand federal practices and priorities that might otherwise appear opaque or different from its operations.

Additionally, the specific expertise of civil servants can strengthen the business operations of exchange partners. For example, Milo Quiroz, the assistant director of the VA Salt Lake City Health Care System, helped improve the nursing management and patient referral processes at the private-sector hospital that hosted him through the Department of Veterans Affairs Executive Management Fellowship Program. "My role in working with them was essentially to look at their processes like a project manager ... like a consultant and to develop new strategies on how they can improve," Quiroz said.

Likewise, agencies exchanging staff to the private sector or hosting private-sector professionals can learn about the management practices of their partners and develop subject matter expertise, reaping benefits that otherwise might only come from hiring or contracting additional staff.

Through the Department of Homeland Security's Loaned Executive Program, Customs and Border Protection hosted an executive from the Walt Disney Company to improve the experience of passing through airport customs. The Disney executive's advice led to the creation of better customer experience tools—such as videos, clearer signage and time-to-service clocks—to help passengers understand the process and how long it would take. "Who knows better than a theme park operator how to queue people up—how to move them through swiftly, efficiently, happily," said Chase Wollenhaupt, principal director of the Private Sector Office within DHS's Office of Partnership and Engagement.

Exchanges can also enable agencies to develop capacity to adopt and leverage technological advances like AI and 5G, helping them to keep up with the speed of innovation.



Professional Development and Career Advancement

For civil servants, professional development is perhaps the most attractive benefit of talent exchanges, according to the federal managers and participants of exchange programs. In particular, the professional development that comes from public-to-private exchanges is generally more immersive and hands-on than typical forms of employee training—which is also available from some host companies.

Exchanging to the private sector can lead to “a complete change in perspective,” according to Kelly Elliott, director of business operations for NASA’s Office of the Chief Human Capital Officer. “You’re forever changed. You think differently. Your perspective is different. Your experience is different. And so, you, as an employee, make better contributions and make better decisions.”

Federal employees working alongside their private-sector counterparts hosted by their agency also experience professional development benefits. Experts from the private sector can share new perspectives and model best practices that can inspire and help increase the capability of their civil servant counterparts

Exchange-related professional development can be an opportunity for civil servants to earn more responsibilities or to jump-start promotions. According to Ron Massey, who manages the Executive Management Fellowship Program of the Veterans Health Administration, a public-to-private talent exchange “is an ideal thing to kind of give them a little bit of time to refocus, learn something that’s valuable to the organization and then give them increased responsibilities when they come back.”

Quiroz of the VA Salt Lake City Health Care System was promoted shortly after completing a one-year exchange through the Executive Management Fellowship Program. “It was extremely beneficial for my career path,” he noted.

Exchanges may be particularly beneficial to civil servants seeking to develop their leadership skills, including those who are candidates for the Senior Executive Service.⁹ Exchanges also can be an opportunity for current SES leaders to do a rotational assignment as well as an opportunity for agencies to increase the number of SES rotational assignments they facilitate.¹⁰

To this end, federal employees participating in exchanges and their supervisors should develop a plan prior to starting an exchange for how the experience could be leveraged for professional development and career advancement. As Massey explained, “If you give somebody a new skill or new knowledge, you’ve got to figure out how to utilize that.”

Professional development and career advancement, however, are not foregone conclusions of exchanges. Instead, realizing these benefits requires the support of managers of exchange programs and federal supervisors in addition to the hard work of individual exchange participants.



Recruitment and Retention

The professional development benefits of deploying to the private sector or working alongside subject matter experts from industry can be a recruitment incentive. In particular, the opportunity to do an exchange may be attractive to people who are interested in public service but would also like to experience the private sector or a variety of challenges and work environments during their career.

NASA, for example, is interested in establishing a public-private talent exchange not only so its scientists, engineers and technicians can remain connected to the vanguard of the private-sector aerospace industry, but also so it can remain a competitive employer and continue to attract people who are “forever curious” and value “increasing knowledge,” said Charlotte Cannon, the acting chief of strategy and innovation in the Talent, Strategy and Engagement Division of NASA’s Office of the Chief Human Capital Officer.

Moreover, the ability to increase personal “capability, capacity and qualifications” through exchanges, according to Cannon, helps renew civil servants’ commitment to their work and their agency’s mission. This is an important factor of employee engagement, which in turn is critical for staff retention.

James McLain, the deputy director and chief operating officer at the Clement J. Zablocki VA Medical Center in Milwaukee, said participating in an exchange with a private-sector hospital strengthened his belief in the VA mission.

“Getting to see how healthcare is delivered outside of the VA and how internally those organizations function really was an eye opener in recognizing how dedicated our staff is to the mission of taking care of our vets and to delivering high-quality service,” McLain said. “This reinforced to me that I want to be a part of my VA medical center. The grass is not greener on the other side.”

The recruitment and retention benefits may be especially helpful for attracting and managing a younger workforce. Millennials and Gen Z look for employers who prioritize providing opportunities for their employees to learn, grow and advance in their careers.^{11,12} In addition, members of Gen Z look for opportunities to develop rewarding professional relationships and to pursue their ideals—and are willing to change not only jobs, but also industries in pursuit of them.¹³



Cross-Sector Relationships and Collaboration

Relationship building between federal agencies and the private sector can be a long-lasting benefit of talent exchanges.

Through the knowledge and skill sharing they facilitate, exchanges not only can enrich existing cross-sector partnerships, but also can help companies inexperienced in working with the government learn federal processes and how to be effective federal partners. Such experiential learning can cultivate productive collaborations that yield dividends for years to come.

NASA, for example, undertakes collaborative missions with private-sector partners and depends on the trust fostered by good cross-sector relationships for success.

“One of the ways that we could build trust in a much more rapid way is to enable more of these public-private exchanges,” noted Dan Costello, the deputy director of human resources at NASA’s Johnson Space Center.

The Veterans Health Administration’s Salt Lake City medical center is working with an exchange partner—a university hospital located across the street—to provide free childcare for VHA patients attending appointments. If the collaboration succeeds and the university hospital’s childcare center becomes available to VHA patients, “We would capture a significantly younger audience and we would increase our number of female veterans that are enrolled as active users,” explained VHA’s Quiroz, the exchange participant who is facilitating this effort.

VHA’s Massey elaborated, “It’s small, but those are the things that matter for folks. It makes access easier and improves customer service.” The university hospital, meanwhile, could receive more VHA referrals as patients using the childcare might be more likely to choose its services when given medical options outside the VHA system.

The relationships developed through exchanges can benefit individual civil servants and their private-sector counterparts, too. Exchange participants can develop valuable professional relationships that yield expanded networks and access to feedback and advice. For this reason, “We meet about every couple of months just to check in with their leadership team and our leadership team,” said Quiroz referring to his private-sector colleagues from the hospital where he did his exchange.

Evaluation and Impact Dissemination

By evaluating each talent exchange they facilitate, agencies can identify and leverage the benefits of their exchange programs as well as assess whether they are efficient and effective.

While federal talent exchange programs typically have an evaluation component, only some have a congressional reporting requirement or a formal evaluation process.¹⁴ Other agencies conduct evaluation more informally, such as through soliciting verbal feedback from exchange participants and partners during and after the exchange.

Mechanisms for leveraging the benefits identified through evaluation are equally critical. Without them, the knowledge gained, skills learned and relationships developed only may have limited impacts.

The Veterans Health Administration has shared what its staff learns through exchanges with its 18 regional healthcare networks. The Department of Homeland Security, meanwhile, has disseminated best practices for managing exchange programs with ethics attorneys from other federal agencies.

Challenges and Strategies for Overcoming Them

To realize the potential of public-private talent exchanges, however, it is also necessary to account for their challenges. Below is a discussion of potential exchange hurdles—which are related to policy design; program implementation and administration; ethical and legal issues; exchange recruitment and selection; goals, roles and position alignment; and post-exchange issues.

Policy Design

To be effective and ethical, talent exchange programs need to be built on clear policy guidelines informed by agency needs, goals and capacity. Ambiguities or oversights in the enabling legislation—even if inadvertent—can hinder the implementation and administration of exchange programs.

At the same time, overly specific provisions can undermine the intent of exchange policies. For example, mandates on program participation—such as requiring a certain number of exchanges per year—may not reflect the needs, goals or capacity of the implementing agency, but could compel it to focus on the quantity instead of the quality of exchanges.

To avoid policy design challenges, agencies seeking a talent exchange authority from Congress should lay the groundwork for the necessary legislation.

Agencies should convene an internal working group when developing the case for an exchange authority. The working group—which should include stakeholders such as the

designated agency ethics official and attorneys from the office of general counsel, in addition to subject matter experts, potential supervisors of exchange participants and, when appropriate, senior leaders—should take the time to learn about the potential benefits and challenges of talent exchanges from the managers of existing federal programs. It also should assess agency capacity to administer a program, identify strategies for guarding against conflicts of interest and select the preferred program attributes, such as the direction and duration of exchanges. With such preparation, agencies are in a good position to educate key congressional committees and stakeholders about the value of and their needs for an exchange authority.

Likewise, members of Congress should design exchange policies in collaboration with the implementing agencies when possible so that the authority provides the agencies with the flexibility and guidance necessary to ensure that the program is successful.

If statutory authorities are not conducive to effective exchange programs, agencies can seek policy changes. The Department of Veterans Affairs, for example, is proposing legislative amendments to its Executive Management Fellowship authority to clarify program eligibility and to permit shorter exchanges, among other things, in an effort to make the program more attractive to potential partners and participants.¹⁵

Program Implementation and Administration

Implementing exchange programs can be complex. Agencies need to figure out how to work productively with entities that operate beyond their control. They also need to be careful that each exchange complies with federal laws and regulations—especially those pertaining to ethics.

Working groups convened by agencies to design talent exchange policies should consult on program implementation efforts as well. Agencies that receive an exchange authority without the support of such a working group should convene internal stakeholders and ethics experts to advise on program implementation.

To implement its Public-Private Talent Exchange Program, ODNI formed a working group consisting of representatives from the 18 intelligence agencies it oversees. The group developed program guidelines and a strategic plan based on ODNI's exchange authority. It also designed a pilot program and considered how to recruit private-sector exchange partners. Another outcome of the working group is that the agency representatives could become champions of the program and help recruit participants in their respective agencies.

Federal resources outside of an agency also may be of help. Agencies may seek the advice of the Office of Government Ethics when developing program guidelines to identify and avoid conflicts of interest. They also can talk to federal managers of existing public-private talent exchanges to learn from and build on their experiences.

The time and effort of this upfront work—as well as staff dedicated to it—are necessary to ensure that programs not only comply with their policies and federal ethics rules, but also best serve their agency, private-sector partners and individual participants.

Likewise, the challenges of running talent exchanges can be minimized by investing staff time in program administration. The following recurring steps are crucial to effective exchange programs and involve relationship management, which can be time-intensive and difficult to automate:

- Recruiting (new or returning) private-sector partners and individual participants.
- Matching the skills of participants to their hosts and identifying how the exchange can be mutually beneficial for all involved.
- Identifying and preventing conflicts of interest.
- Remaining engaged with participants and private-sector partners throughout the exchange.
- Evaluating the exchange experience and disseminating what is learned.

Relationship management, moreover, isn't limited to communication between federal program managers and their private-sector counterparts. Program managers also maintain connections to federal and private-sector program participants, their supervisors, relevant subject matter experts and the designated agency ethics official, among other stakeholders.

“Communication is crucial to the success of our Public-Private Talent Exchange, and a priority of the DOD's Office of Human Capital Initiatives,” said Cathy Dunleavy, a senior human capital manager of that office—which is part of the Office of Undersecretary of Defense for Acquisition and Sustainment and is responsible for administering and coordinating the exchange program. “Good communication facilitates the best possible exchange matches and ensures a rewarding experience for all participants.”

Given the importance of relationship management and institutional knowledge to cross-sector talent sharing, turnover of exchange program managers can be disruptive to programs. For this reason, civil servants should manage exchange programs instead of political appointees, according to DHS's Wollenhaupt, because the nature of political appointments “doesn't provide the continuity and consistency that the business community expects.”

Ethical and Legal Issues

Preventing conflicts of interest and other ethics violations—as well as perceptions of their possibility—is a responsibility that demands close consideration by agencies implementing and managing talent exchanges.

As established in federal regulations, “Public service is a public trust.” Therefore, “Each [federal] employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain.”¹⁶ Ensuring the integrity of this commitment requires civil servants to adhere to a set of federal ethics principles that prohibit, among other things, financial conflicts of interest, providing preferential treatment, and seeking or accepting gifts from private-sector partners.¹⁷

Federal ethics laws—including those in the criminal code—prohibiting financial and other conflicts of interest are important safeguards for talent exchanges, ensuring that participating agencies, private-sector partners and individuals do not intentionally or inadvertently misuse them. To that end, ethics rules apply to federal employees on exchange to the private sector as well as to private-sector professionals exchanging to a federal agency—who are considered to be federal employees relative to the rules for the duration of their detail, according to the Office of Government Ethics. (See [Appendix II: Ethics Guardrails for Talent Exchanges](#) to learn more about which ethics rules apply to which exchange programs.)

In assessing the ethics challenges of public-private talent exchanges, OGE has expressed concern about agencies hosting private-sector professionals. OGE warned that private-to-

public exchanges may experience “heightened risk of financial conflicts of interest” as well as “divided loyalties” given that professionals hosted by an agency continue to receive their private-sector salary.¹⁸

Existing talent exchange programs, according to their managers, have been able to avoid conflicts of interest because of good policy design, program implementation and management. Nonetheless, federal leaders and their private-sector counterparts may be hesitant to use exchange mechanisms without further understanding of how agencies can avoid ethics challenges. For example, businesses may be concerned that hosting a civil servant or sending their staff to a federal agency could delay the finalization of or even disqualify them from government service and procurement contracts. Agencies, meanwhile, might want to avoid the potential of improper use of nonpublic or proprietary information.

Such concerns are not insurmountable. With clear guardrails in an exchange program’s statutory authority, due diligence and time may be all agencies need to implement procedures to identify and prevent ethics issues. Thoughtfully designed exchange agreements, for example, can prevent ethics concerns that could scuttle contracts between an agency and its private-sector exchange partner if they create a “firewall” ensuring that exchange assignments do not result in any advantageous business insights for the partner.

Because prevention of conflicts of interest and other ethics violations is a matter of individual and collective vigilance, it is important that all exchange participants understand the application of federal ethics rules and how to watch for, recognize and avoid conflicts of interest. Clear program guidelines can help to this end. Better yet, agencies can provide ethics training to federal and private-sector participants. Agencies can also share their experiences of establishing ethics guardrails to help other agencies implementing an exchange authority.

OGE is available to consult with agencies that are implementing talent exchange policies and programs to provide its expertise as the supervising ethics office.

Agencies can also refer to OGE’s recommendations for designing talent exchange policies and implementing and managing related programs in compliance with federal ethics rules. To learn more, see [Appendix III: Office of Government Ethics Recommendations for Public-Private Talent Exchanges](#).

Finally, agencies may develop additional tools to avoid ethics concerns. ODNI, for example, worked with its general counsel to develop a checklist of potential conflicts of interest—and ways to avoid them—to be distributed to all 18 intelligence agencies.

Exchange Recruitment and Selection

Agencies with talent exchange programs face three challenges related to recruiting and selecting exchange partners and participants.

First, federal supervisors concerned about staff capacity may be reluctant to let a direct report do an exchange—and this reluctance may be greater regarding more senior staff as well as longer-term or full-time exchanges. Talent gaps are disruptive—even when temporary—and not easily filled. Civil servants are not widgets, and their networks, institutional knowledge and working style are not easily transferable.

The second recruitment challenge is finding federal employees for public-to-private exchanges. Civil servants may not understand the exchange program and its potential benefits. As a result, they may perceive time away from their agency to be unrealistic or even detrimental to

their career, or they may decide that the effort of the selection process—including the work and exposure of filing a financial disclosure form—is not worth the unknown benefits of exchanges.

Socializing exchange programs with staff and supervisors—through outreach events, engagements with existing communities of practice and other agency cohorts, or even a clear online FAQ page—is a good way to overcome these challenges.

At the same time, targeted recruitment of federal staff based on their career level and skill set is better than indiscriminate recruitment, which could attract people to exchanges for the wrong reasons. Sending an agency-wide email seeking program participants, explained Massey of the Veterans Health Administration, could result in “1,000 people that aren’t really happy in their current work that think, ‘This is going to be great—I get to go away for a year’”—which could complicate and prolong the selection process. All staff recruitment efforts, however, should take active steps to avoid intentional and unintentional bias to ensure exchange programs are inclusive and equitable.

The third recruitment challenge—which some managers of federal exchange programs say is the hardest—is recruiting private-sector partners and selecting private-sector participants.

While many potential partners may have experience working with agencies through federal contracts, most, at this point, do not have experience with federal talent exchanges. The unfamiliarity of exchanges—especially the ethics review, financial disclosure and security clearance processes that precede them—may be a disincentive to companies as well as their employees.

Additionally, perceptions that exchanges could disqualify or otherwise interfere with current and future federal contracts—which can be prevented through well-designed exchange policies and well-managed programs—could dissuade participation.

Finally, because the private sector is generally quicker than the federal government to adopt new technologies and evolve management practices, some companies may not perceive that they will learn much through an exchange with a federal agency. And without this knowledge-sharing benefit, companies may decide the opportunity costs of temporarily deploying staff to an agency are too great. This may be especially true for small companies.

Goals, Roles and Position Alignment

Cross-sector cultural tensions are a normal part of public-private talent exchanges, which include not only the learning curve of onboarding but also the translation of workplace policies, practices and norms.

For civil servants and private-sector professionals, experiencing new procedures and institutional expectations can be both invigorating and daunting. While managers of current federal talent exchange programs do not cite cultural tensions as a big challenge, it should be accounted for when recruiting participants and evaluating individual exchanges.

Private-sector professionals exchanging to an agency, for example, may have little or no previous experience working with the federal government, and as a result they could have trouble adapting to federal processes and workplace culture.

Civil servants on exchange could experience similar difficulties. Furthermore, federal staff may find that public-to-private exchange assignments do not match their experience and career level or that it is difficult to earn the trust of their new private-sector colleagues, especially when ex-

changing to a company with a strong institutional culture or a lengthy onboarding process.

As Meghan Chu, a civilian employee of the Navy who participated in DOD's Public-Private Talent Exchange program, said of her host company, "They're very big on networking, finding your own work—things that you can't really do in [an exchange that lasts] six months."

Well-designed onboarding processes—as well as ongoing “over the shoulder” support and facilitated networking with colleagues—can ease exchange-related learning and cultural integration and foster trust, according to William Malyszka, the deputy chief human capital officer and director of the Division of Human Resource Management of the National Science Foundation, which hosts experts and management professionals from academia and industry through its Rotators Program.

In addition, people doing longer or full-time exchanges may experience greater trust with their temporary colleagues than those doing shorter or part-time exchanges.

"It really was valuable to be there full-time because there were occasions when the projects got very intense," said James McLain of the Veterans Health Administration, who participated in a full-time, yearlong exchange with a healthcare corporation through the Executive Management Fellowship Program. "I think the facility that's accepting you to be a fellow within their organization may not see the program to be a benefit for them if you just could suddenly disappear.... There's an expectation that you're going to be there for them."

Clear communication between agencies, their private-sector counterparts and individual exchange participants about the scope and responsibilities can also help. Participants with realistic expectations about their goals and assignments are better prepared for an exchange than those without such clarity.

Furthermore, because each experience is different—depending on the exchange host and assignment as well as the length and timing of the exchange—agencies should encourage civil servants and private-sector professionals to understand their host's culture and priorities before deploying. Without this preparation, McLain warned, "What you go into may not be why you're there."

Post-Exchange

Talent exchange programs typically include a post-exchange service requirement—which is an agreement to continue working in the federal government for a set time, often equal to the duration of the exchange—and a financial penalty for not meeting it, generally the direct cost of the exchange. Such mechanisms are designed to prevent exchanges from being used by private-sector partners as recruitment tools.

While several of the federal managers of exchange programs noted the possibility for exchange-related attrition, none could recall an example of it. Furthermore, several said that commitment to public service counterbalances the attraction of the private sector. As one government employee who exchanged to the private sector put it, "I believe in the mission."

Civil servants reintegrating into their agencies following an exchange also could experience challenges—such as feeling out of the loop or experiencing eroded relationships with colleagues—though federal exchange program managers and participants interviewed said they have not perceived this problem and that reintegration typically goes well.

Reintegration appears to be easier for staff who do not experience disconnection from their agency while on exchange—including those who remain in routine contact with their supervisor, those who develop a post-exchange plan with their supervisor and those who do shorter or part-time exchanges. As noted by Milo Quiroz of the VA, who did a part-time exchange at a hospital across the street from his medical center, “I didn’t come back to a foreign place.”

Finally, it is important to design and implement evaluations and to develop mechanisms for sharing what has been learned to highlight the benefits of the exchanges. Both efforts require dedicated time from exchange program managers, preferably those with evaluation expertise.

Recommendations and Best Practices

In order to facilitate additional practical experience with public-private talent exchanges, Congress can support agencies seeking an exchange authority as well as those implementing or managing an exchange program. Additionally, there are talent exchange best practices that can help agencies with policy design and program implementation; program staffing; exchange recruitment and selection; exchange preparation; professional development and career advancement; and evaluation and knowledge dissemination.



Recommendations for Congress

- Congress should work with agencies seeking an exchange authority to design policies conducive to an ethical and productive program. If a member of Congress plans to introduce talent exchange legislation independent of an agency's request, the exchange policy should be designed in collaboration with the implementing agency to ensure that the statutory program becomes a well-utilized asset of that agency.
- Any member of Congress who introduces legislation to create a government-wide talent exchange policy should design the bill to allow implementing agencies to focus the policy on their critical needs and to enable them to pilot and assess the program before solidifying it.
- Congress should amend the Intergovernmental Personnel Act to authorize for-profit entities to participate in IPA exchanges.
- Congress should appropriate sufficient funding to ensure that agencies with a talent exchange authority have enough staff capacity to successfully implement and manage their exchange program.



Best Practices for Agencies

Policy Design and Program Implementation

- When seeking legislative support for the creation of a talent exchange authority, agencies should first identify their needs for an exchange program, what mix of exchange attributes would meet them and the capacity necessary to administer exchanges. An internal working group with a diverse group of stakeholders is a good forum for making these decisions and for developing the value proposition of an exchange program. In addition, agencies should learn from the experiences of the managers of existing federal talent exchanges, whose first-hand knowledge can inform the design and implementation of future exchange programs.
- Agencies seeking a talent exchange authority from Congress or working to implement an exchange program should include their general counsel, designated agency ethics official and, if necessary, the Office of Government Ethics in recommending policies that could avoid ethics challenges. These experts—who can be part of or work in conjunction with a broader talent exchange working group—can help to identify potential conflicts of interest and to design program guidelines, exchange agreements, and other resources and procedures that forestall ethics challenges.
- Agencies implementing a talent exchange policy should pilot a program—to determine what works well and what should be modified—before solidifying it. Meanwhile, agencies should remain engaged with relevant congressional committees, their internal talent exchange working group, ethics experts and other stakeholders during the implementation process to ensure the program complies with its statutory authority, ethics rules and the agency’s vision of it.

Program Staffing

- Because talent exchanges are generally time-intensive programs, agencies should dedicate sufficient staff capacity to program administration while also looking for opportunities to automate aspects of it. In addition, agencies should avoid assigning political appointees or other term-limited staff as managers of exchange programs in an effort to avoid staff turnover that could undermine program stability and viability.

Exchange Recruitment and Selection

- To maximize the benefits of exchanges for everyone involved, agencies should cultivate relationships with potential private-sector exchange partners. As part of this, agencies should allay concerns about conflicts of interest that could hurt business interests by educating potential partners about their exchange program’s ethics guardrails and compliance with federal ethics rules.
- Agencies should socialize their exchange program and its benefits with their staff and with potential private-sector partners through an active and multifaceted outreach effort. Targeted recruitment based on career level and skill set, however, tends to be more productive than indiscriminate recruitment—though all recruitment efforts should take active steps to avoid intentional and unintentional bias to ensure exchange programs are inclusive and equitable.
- When recruiting civil servant participants, agencies also should recruit their supervisors, who may otherwise be reluctant to allow their staff to deploy to the private sector.

Similarly, federal managers of private-to-public exchanges should work with the federal staff who will host private-sector participants to maximize the value of each exchange.

Exchange Preparation

- Agencies should work with private-sector partners prior to the start of each exchange to identify and avoid potential conflicts of interest—and to quickly resolve any conflicts that arise unexpectedly during an exchange. Likewise, agencies deploying staff to the private sector should ensure they understand that federal workforce and ethics rules continue to apply to them while on exchange and that some aspects of corporate culture—such as gift giving—may not comply with such rules. Meanwhile, agencies participating in private-to-public exchanges should educate the private-sector employees they host about the federal ethics rules that apply to them for the duration of their exchange. For more about applicable ethics rules, see [Appendix II: Ethics Guardrails for Talent Exchanges](#) and [Appendix III: Office of Government Ethics Recommendations for Public-Private Talent Exchanges](#).
- Agencies should prepare their staff exchanging to the private sector for possible cross-sector cultural challenges—such as a trust deficit or a position misalignment—through pre-exchange training and through exposure to colleagues who have completed an exchange. Such preparation could be done in conjunction with ethics training. At the same time, agencies should work with private-sector partners to ensure that the civil servants they host:
 - » Receive exchange assignments aligned with their career level, experience and expectations.
 - » Can avoid intellectual property or security clearance restrictions that could impede their exchange assignments.
 - » Experience an appropriate and productive onboarding process.

Professional Development and Career Advancement

- Prior to beginning their exchange, federal civil servants deploying to the private sector should develop a plan with their supervisor for leveraging the exchange for professional development and career growth. Federal supervisors should also routinely communicate with their staff on exchange to help them stick to their exchange plan as well as to ensure they remain connected to their agency, to address any exchange-related concerns and to ease post-exchange reintegration.
- Agencies with public-to-private exchange programs should encourage Senior Executive Service candidates to do exchanges as an effective way to complete the developmental assignment component of their SES candidacy. Similarly, agencies should encourage SES members to do rotational assignments via exchanges, which could help them meet the federal goal of increasing the number of SES members doing rotations.

Evaluation and Knowledge Dissemination

- Agencies should develop a strategy for evaluating individual exchanges in order to document what is learned through each one, which is the first step in leveraging exchange benefits and improving exchange programs. At the same time, agencies should develop mechanisms for sharing exchange-derived gains so they become agency assets. These mechanisms can be informal, such as “brown bag lunch” discussions, or more structured, such as training sessions and detailed after-action reports. Knowledge-dissemination efforts should be aligned with agency learning agendas, recruitment efforts and other priorities, if possible.
- Agencies should remain engaged with their private-sector partners throughout exchanges, as good lines of cross-sector communication foster not only productive and mutually beneficial exchanges but also effective evaluation and knowledge-sharing efforts.

Conclusion

For the federal government, public-private talent exchanges are a promising strategy for talent management, mission success and, ultimately, government effectiveness.

Federal agencies, for example, need to collaborate with and learn from industry to remain up to speed on subject-matter expertise, rapidly evolving technologies like artificial intelligence and related management practices. Additionally, agencies need to be competitive employers to retain their best employees and to attract top talent, especially given the aging civil service and the need to attract the younger generation.

Public-private talent exchanges can meet all of these needs, according to the federal managers and participants of existing exchange programs.

For the private sector, exchanges offer opportunities to better understand federal practices, to develop productive cross-sector relationships and—especially for individual employees—to contribute to public service.

Yet, the efforts to implement and manage effective and ethical exchange programs are considerable, and the challenges need to be better understood in order to maximize the potential of exchanges to benefit agencies and the private sector both now and in coming years.

To that end, agencies need more practical experience with talent exchanges.

Agencies with exchange authorities should continue to share staff with the private sector, to document and build on what they learn through individual exchanges, and to refine exchange programs to maximize the benefits for all involved. Furthermore, lawmakers should be open to working with agencies to develop talent exchange authorities that enable and encourage ethical and productive cross-sector collaborations—and Congress should provide funding to current and new exchange programs to cultivate their success.

By summarizing the benefits and challenges of existing talent exchange programs and highlighting best practices, this report can help agencies seeking congressional authority for a talent exchange as well as those implementing a new program or looking to improve existing programs. The report also provides recommendations and insights for Congress, helping to prepare lawmakers to design future exchange policies to best support federal agencies, civil servants and the public they serve.

Appendix I: Talent Exchange Program Summaries

Agency	Talent Exchange Program	Program History	Program Design						Policy Origin				Notes
			Exchange Direction	Exchange Duration	Qualifications		Post-Exchange Federal Service Commitment and Penalty	Reporting, Evaluation and Knowledge Dissemination					
					Federal Agencies	Private-Sector							
Government-wide	Information Technology Exchange Program	2002 - 2007 (inactive)	Private-to-Public and Public-to-Private	3 months to 1 year (renewable for 1 additional year)	Civil servants (GS-11 or higher) who work in IT management	“Exceptional performers” who work in IT management	Equal to the duration of the exchange (penalty = “all expenses of the assignment”)	OPM was required to submit semiannual program reports to Congress	5 U.S.C. 3701-3707		5 C.F.R. 370		At least 20% of public-to-private exchanges were to involve small businesses.
	President’s Executive Exchange Program	1969 - 1991 (inactive)	Private-to-Public and Public-to-Private	1 year	Civil servants (GS-15 or higher)	Senior-level executives or exceptional managers	Civil servant participants prohibited from accepting private-sector employment for 3 years following the exchange (penalty = moving and educational costs of exchange)		Executive Order 11451	Executive Order 12136	Executive Order 12493	Public Law 99-424	In the program’s last iteration (1986 - 1991), it facilitated only private-to-public exchanges.
Department of Defense	Cyber and Information Technology Exchange Program	2009 - present	Private-to-Public and Public-to-Private	3 months to 1 year (renewable for 1 additional year)	Civil servants (GS-11 or higher) who work in cyber operations or IT management	“Exceptional” employees who work in cyber operations or IT management and whose compensation is equivalent to GS-11 or higher	Equal to the duration of the exchange (penalty = “all expenses of the assignment”)	Participating DOD components must report annually to CITEP program manager	5 U.S.C. 3702 Note				No more than 50 DOD staff may participate at any given time. At least 20% of exchange partners are to be small businesses.
	Public-Private Talent Exchange	2016 - present	Private-to-Public and Public-to-Private	3 months to 2 years (renewable for 2 additional years)	Civilian servants (GS-13 to GS-15)	Midcareer professionals with secret-level security clearance whose salaries do not exceed \$172,500	Equal to double the duration of the exchange (penalty = “all expenses of the assignment”)	Participating DOD components must report annually to the Defense Civilian Personnel Advisory Service	10 U.S.C. 1599g				Funds for the program may be provided from the DOD Acquisition Workforce Development Fund. At least 20% of exchange partners are to be small businesses.
Department of Homeland Security	Exemplar Program	2016 - present	Public-to-Private	Up to 6 months (full or part-time)	Civil servants (GS-11 to GS-15) who work in STEM fields in DHS’s Cybersecurity & Infrastructure Security Agency or its Science & Technology Directorate		Equal to triple the duration of the exchange (penalty = “all or some of the costs” of the exchange)	Authorizing statute requires program evaluation on a “regular basis”	5 U.S.C. 41				The program is built on the Government Employees Training Act of 1958, which authorizes agencies to deploy staff to nongovernment facilities—including private sector companies—for training.
	Loaned Executive Program	2008 - present	Private-to-Public	3 months to 1 year (renewable for 1 additional year)		Executive-level professionals		Participating DHS components must report on each exchange to LEP program manager	5 U.S.C. 3109	6 U.S.C. 392	5 C.F.R. 304		The program is built on the Expert and Consultant Appointment Authority, which allows agencies—“when authorized by an appropriation or other statute”—to secure the services of experts and consultants for up to one year without pay as long as they agree “in advance in writing to waive any claim for compensation.”
Office of the Director of National Intelligence	Public-Private Talent Exchange	2019 - present	Private-to-Public and Public-to-Private	3 months to 2 years (renewable for 1 additional year)			Equal to the duration of the exchange (penalty = “all nonsalary and benefit expenses” of exchange)	Authorizing statute requires the establishment of “oversight mechanisms” to determine if the program “improves the efficiency and effectiveness of the intelligence community”	50 U.S.C. 3334				Participating intelligence agencies may “use appropriated funds to reimburse” small businesses for the salaries and benefits of their staff on exchange. “Private sector” is inclusive of non-profit organizations.
Department of Veterans Affairs	Executive Management Fellowship Program	2017 - present	Private-to-Public and Public-to-Private	1 year	Civil servants (GS-14 to lowest level of SES) working for the Veterans Health Administration or the Veterans Benefits Administration	Professionals with experience commensurate with GS-14 to lowest level of SES	2 years (penalty established by each exchange agreement)	Exchange participants must report on their experience to the secretary, who must report to Congress	38 U.S.C. 741				Each year, there are to be 18-30 VA participants and 18-30 private-sector participants.

Appendix II: Ethics Guardrails for Talent Exchanges

Below is a review of the ethics guardrails applicable to each exchange program discussed in this paper, including statutes, regulations and an executive order.¹⁹ The guardrails highlighted are specified by the programs’ authorizing statute or program guidelines.

Applicable Statutes, Regulations and Executive Order Specified in Program Documents	Exchange Programs’ Ethics Guardrails							
	Government-wide		Department of Defense		Department of Homeland Security		Office of the Director of National Intelligence	Department of Veterans Affairs
	Information Technology Exchange Program (inactive)	President’s Executive Exchange Program (inactive)	Cyber and Information Technology Exchange Program	Public-Private Talent Exchange	Exemplar Program	Loaned Executive Program	Public-Private Talent Exchange	Executive Management Fellowship Program
	Private-sector participants were required to submit financial disclosures and complete ethics trainings and were barred from accessing nonpublic information of business value. While on exchange to an agency, they were considered federal employees regarding federal ethics rules. Participating civil servants remained government employees while on exchange to the private sector and therefore were responsible for complying with federal ethics rules. Companies were prohibited from recouping the salary costs of their staff on exchange through federal contracts.	Private-sector participants were considered for the duration of the exchange to be government employees relative to federal laws and regulations pertaining to conflicts of interest, financial disclosure and standards of conduct.	Private-sector participants must submit financial disclosures and complete ethics trainings and may not access nonpublic information of business value. While on exchange to an agency, they are considered federal employees regarding federal ethics rules. Participants from companies that do business with DOD must undergo additional review by DOD’s Office of General Counsel prior to the exchange. Companies may not recoup the cost of the salary of their staff on exchange through future contracts. Participating civil servants remain government employees while on exchange to the private sector and therefore are responsible for complying with federal ethics rules.	Private-sector participants must submit financial disclosures and complete ethics trainings and may not access nonpublic information of business value. While on exchange to an agency, they are considered federal employees regarding federal ethics rules. They may not supervise DOD employees or perform “inherently governmental” work unless requested by the secretary. At the conclusion of an exchange, private-sector participants must receive post-government employment advice from an agency ethics counselor. Companies may not recoup the cost of the salary of their staff on exchange through federal contracts. Companies that host staff from DOD’s acquisition workforce will not be considered to have a conflict of interest solely because of that. DOD may not use the program to circumvent limitations on workforce size. Participating civil servants remain government employees while on exchange to the private sector and therefore are responsible for complying with federal ethics rules.	Participating civil servants remain government employees while on exchange to the private sector and therefore are responsible for complying with federal ethics rules.	Private-sector participants must submit financial disclosures, complete ethics reviews and undergo background investigations commensurate with clearance level. While on exchange to an agency, they are considered federal employees regarding federal ethics rules but may not work on procurement or other matters that will benefit their interests or the interests of their employer. They must sign nondisclosure agreements prohibiting dissemination of nonpublic information. Private-sector participants may not perform managerial or supervisory work; function in the DHS chain of command; do work performed by DHS’s regular employees; or be posted to an SES position or one requiring presidential appointment.	Private-sector participants must submit financial disclosures and complete ethics trainings. They may not access non-public information of business value. While on exchange to an agency, they are considered federal employees regarding federal ethics rules, but they may not perform “inherently governmental” work unless requested by the secretary. Participating civil servants remain federal employees while on exchange to the private sector and therefore are responsible for complying with federal ethics rules. Companies may not recoup the cost of the salary of their staff on exchange through federal contracts. Intelligence agencies may not use the program to circumvent limitations on workforce size.	Private-sector participants are considered to be contractors for the duration of their exchange to an agency. Participating civil servants remain federal employees while on exchange to the private sector and therefore are responsible for complying with federal ethics rules.
5 C.F.R. Part 2634 - Executive Branch Financial Disclosure						X		
5 C.F.R. Part 2635 - Standards of Ethical Conduct for Employees of the Executive Branch						X		
5 U.S.C. 2301 - Merit System Principles		X			X			
5 U.S.C. 2302 - Prohibited Personnel Practices					X			
5 U.S.C. Chapter 81 - Compensation for Work Injuries				X			X	
5 U.S.C. Chapter 73 - Suitability, Security, and Conduct	X		X	X			X	
5a U.S.C. - Ethics in Government Act of 1978	X		X	X			X	
10 U.S.C. 2461 - Public-Private Competition Required Before Conversion to Contractor Performance				X			X	
18 U.S.C. 1905 - Disclosure of Confidential Information Generally	X		X	X			X	
18 U.S.C. 1913 - Lobbying with Appropriated Moneys	X		X	X			X	
18 U.S.C. 201 - Bribery of Public Officials, and Witnesses	X		X	X			X	
18 U.S.C. 203 - Compensation to Members of Congress, Officers, and Others in Matters Affecting the Government	X		X	X			X	
18 U.S.C. 205 - Activities of Officers and Employees in Claims Against and Other Matters Affecting the Government	X		X	X			X	
18 U.S.C. 207 - Restrictions on Former Officers, Employees, and Elected Officials of the Executive and Legislative Branches	X		X	X		X	X	X
18 U.S.C. 208 - Acts Affecting a Personal Financial Interest	X		X	X		X	X	
18 U.S.C. 209 - Salary of Government Officials and Employees Payable Only by the United States	X		X	X			X	
18 U.S.C. 603 - Making Political Contributions	X		X	X			X	
18 U.S.C. 606 - Intimidation to Secure Political Contributions	X		X	X			X	
18 U.S.C. 607 - Place of Solicitation	X		X	X			X	
18 U.S.C. 643 - Accounting Generally for Public Money	X		X	X			X	
18 U.S.C. 654 - Officer or Employee of United States Converting Property of Another	X		X	X			X	
26 U.S.C. 1043 - Sale of Property to Comply with Conflict-of-Interest Requirements	X		X					
31 U.S.C. 1343 - Buying and Leasing Passenger Motor Vehicles and Aircraft	X		X	X			X	
31 U.S.C. 1344 - Passenger Carrier Use								
31 U.S.C. 1349(b) - Adverse Personnel Actions	X		X	X			X	
41 U.S.C. 2104 - Prohibition on Former Official’s Acceptance of Compensation From Contractor								
41 U.S.C. Chapter 21 - Restrictions on Obtaining and Disclosing Certain Information	X		X	X			X	X
Executive Order 12731 - Principles of Ethical Conduct for Government Officers and Employees						X		X
Federal Tort Claims Act	X							X

Appendix III: Office of Government Ethics Recommendations for Public-Private Talent Exchanges

In two September 2019 letters to Congress, the Office of Government Ethics set forth its ethics recommendations for designing talent exchange policies and implementing and managing related programs in compliance.²⁰ In summary, OGE recommends the following:

- Congress—in an effort to avoid the “dual loyalty” challenge for private-sector detailees—should include language in enabling legislation to clarify that private-sector salaries of professionals hosted by an agency are exempt from the prohibition of supplemental salaries for government employees.²¹
- Agencies implementing programs should consult as needed with OGE to assess potential ethics risks and to develop program guidelines that uphold federal ethics laws, regulations and principles.
- Agencies hosting private-sector employees should ensure that their exchange assignments are unrelated to their or their employer’s financial interest.
- Agencies should consult their designated ethics officials prior to and, as needed, during each individual exchange for help identifying and avoiding potential conflicts of interest.

Appendix IV: Acknowledgements

The individuals listed below generously offered their input on this study. We greatly appreciate their time and counsel. The contents of this report do not necessarily reflect the views of those with whom we spoke. Additionally, the views of participating federal officials do not necessarily reflect positions or policies of the federal government or its agencies.

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Endnotes

1 Defense Contract Audit Agency, “5 Things Gen Z Values in the Workplace,” March. 22, 2021. Retrieved from <https://bit.ly/3CnUFJm>

2 Descriptions of tour-of-duty hiring authorities can be found in the Partnership’s [Rapid Reinforcements: Strategies for Federal Surge Hiring](#).

3 Office of Personnel Management, “Hiring Information: Intergovernmental Personnel Act.” Retrieved from <https://bit.ly/3klf6zh>

4 According to the Government Employees Training Act, agencies may create employee training programs in nongovernment facilities, which include private-sector entities, “in order to assist in achieving an agency’s mission and performance goals.” “Government Employees Training Act of 1958,” 5 U.S.C. Chapter 41. Retrieved from <https://bit.ly/2UAzliq>

5 According to federal law, “An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property.” 31 U.S.C. 1342 – Limitation on Voluntary Services. Retrieved from <https://bit.ly/3rGRvMR>

6 Previously, two other programs were available government-wide: The President’s Commission on Executive Exchange Program (1969 – 1991) and the Information Technology Exchange Program (2002 – 2007). For more information, see [Appendix I: Talent Exchange Program Summaries](#).

7 5 C.F.R. Part 304 – Experts and Consultant Appointments. Retrieved from <https://bit.ly/3BwyD7I>

8 5 C.F.R. 213.3102(r). Retrieved from <https://bit.ly/3CdPd1m>

9 To join the Senior Executive Service, civil servants must complete a “developmental assignment of at least 4 months of full-time service” that includes “at least one assignment of 90 continuous days in a position other than, and substantially different from, the candidate’s position of record.” Such assignments “must include executive-level responsibility and differ from the candidate’s current

and past assignments in ways that broaden the candidate’s experience,” but “need not be restricted to the agency, the Executive Branch, or the Federal Government, so long as they can be accomplished in compliance with applicable law and Federal and agency specific ethics regulations.” 5 C.F.R. 412.302(c)(3) – Criteria for a Senior Executive Service Candidate Development Program. Retrieved from <https://bit.ly/3mjbBvU>

10 An Executive Order issued by President Obama directed agencies with 20 or more SES positions to develop plans “to increase the number of SES members.” It also set a “government-wide goal of 15 percent of SES members rotating for a minimum of 120 days.” The White House, “Strengthening the Senior Executive Service,” Executive Order 13714, Dec. 15, 2015. Retrieved from <https://bit.ly/3AQGtl6>

11 Gallup, “How Millennials Want to Work and Live,” 2016, 26. Retrieved from <https://bit.ly/3yD5i9r>

12 Nevbahar Ertas, “Turnover Intentions and Work Motivations of Millennial Employees in Federal Service,” Public Personnel Management, 44(3), June 2015, 417. DOI: 10.1177/0091026015588193. Retrieved from <https://bit.ly/3gDdboy>

13 Blair Heitmann, “The Job-Hopping Generation: Young Professionals Are on the Move,” LinkedIn Official Blog, Oct. 11, 2018. Retrieved from <https://bit.ly/3AMmLye>

14 The Department of Defense, for example, employs the Kirkpatrick Model of Evaluation, while the Department of Veterans Affairs must report to its House and Senate oversight committees on each exchange it facilitates.

15 The Department of Veterans Affairs is proposing, for example, that nonprofit medical centers be eligible for talent exchanges, which would significantly expand the pool of potential exchange partners. There are over twice as many nonprofit hospitals (2,946) in the U.S. as for-profit hospitals (1,233). American Hospital Association, “Fast Facts on U.S. Hospitals, 2021.” Retrieved from <https://bit.ly/3hSC3bO>

16 5 C.F.R. 2635.101 – Basic Obligation of Public Service. Retrieved from <https://bit.ly/3yD4Zvj>

17 Ibid.

18 This risk, according to OGE, may be “particularly

troublesome in relation to the acquisition workforce, given the history of high-level and high-value procurement related scandals.” Office of Government Ethics, “Letter to the House Armed Services Committee,” September 2019. Retrieved from <https://bit.ly/3idabAR>

19 Among the statutory provisions listed are five that the Office of Government Ethics highlighted in its recommendations for talent exchanges: 18 U.S.C. 203 – Compensation to Members of Congress, Officers, and Others in Matters Affecting the Government; 18 U.S.C. 205 – Activities of Officers and Employees in Claims Against and Other Matters Affecting the Government; 18 U.S.C. 207 – Restrictions on Former Officers, Employees, and Elected Officials of the Executive and Legislative Branches; 18 U.S.C. 208 – Acts Affecting a Personal Financial Interest; and 18 U.S.C. 209 – Salary of Government Officials and Employees Payable Only by United States. Ibid.

20 Office of Government Ethics, “Letter to the House Armed Services Committee,” September 2019. Retrieved from <https://bit.ly/3idabAR>. Office of Government Ethics, “Letter to the Senate Select Committee on Intelligence, the House Permanent Select Committee on Intelligence, and the Senate Committee on Armed Services,” September 2019. Retrieved from <https://bit.ly/3CYJvfi>

21 This prohibition is codified at 18 U.S.C. 209 – Salary of Government Officials and Employees Payable Only by United States. Retrieved from <https://bit.ly/374Ou14>. According to OGE, however, “The primary way to remedy this issue would be to eliminate the provision allowing private sector detailees to continue to receive pay and benefits from the private sector organization from which they are assigned.” Office of Government Ethics, “Letter to the House Armed Services Committee,” September 2019. Retrieved from <https://bit.ly/3idabAR>



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