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## Former workers cash in at CDC

Ex-employees take 'revolving door' back to agency, where they steer millions to outside contractors

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When he concluded a 35-year career at the U.S. Centers for Disease Control and Prevention in 1999, Arthur "Jack" Jackson retired as the agency's top bureaucrat.

A year later, he returned as a consultant, hired by officials he once supervised.

Since then, the Atlanta-based CDC has given almost \$22 million in work to two companies affiliated with Jackson, federal documents show. The agency has hired his firms 79 times — 67 times without competitive bidding — for tasks that encompass both the overarching and the banal.

Jackson's current firm helped plan a sweeping reorganization of the agency's management, for example, and it compiles five news clippings a day for top CDC executives.

Jackson's post-retirement dealings with the CDC illustrate a legal, if little known, practice across the federal government. After years of public service, many former administrators make a lucrative living by selling their expertise to the agencies where they developed it.

At the CDC, for example, 17 former employees work as consultants to the agency through contracts with Jackson's firm. A \$4 million consulting job went to a former administrator of the CDC's parent agency who had supervised a program that gives contracting preferences to small, minority-owned businesses. His firm got its CDC deal under the program.

The same program benefited the companies that have employed Jackson: McKing Consulting Corp., where he is a vice president in charge of an Atlanta office, and Management Assistance Corp., where he was a vice president from 1999 to 2002.

Jackson is a 62-year-old white man. But because both companies belong to women who are minorities, they can get work with the CDC and other federal agencies without bidding or after competing only against other minority-owned firms. Lawyers for both companies said that before they hired Jackson, the firms had done little or no business with the CDC.

Jackson declined to comment for this article.

The Department of Health and Human Services is looking into the CDC's contracting with former federal employees, officials in Washington and Atlanta said.

The inquiry is based on an anonymous complaint to Assistant HHS Secretary Ed Sontag, who soon will send a team from Washington to check the CDC's contracting procedures, said William Pierce, a department spokesman. But Pierce said calling the review an investigation would be an overstatement.

"They're just looking into it," he said. "They don't know what it is yet."

CDC officials say former colleagues and their deals represent tiny fractions of the agency's 5,000 contractors and \$7 billion annual budget. William Gimson, the CDC's chief operating officer, said companies connected with former employees such as Jackson receive no special treatment.

"I have no vested interest in business going to McKing or any other contractor," Gimson said.

However, in an earlier interview, Gimson said, referring to Jackson: "There's certainly an advantage. He knows the people at CDC, and they know him. . . . He would reach out to individuals he would know. Probably more so, they would reach out to him."

The agency does not track how many of its contractors are former employees, Gimson said.

But "this is not uncommon," said Frank Rapoport, a lawyer in Washington for McKing Consulting, based in Fairfax, Va. "The revolving door is how the country seems to operate."

When CDC officials need outside help, Rapoport said, "it wouldn't surprise me if they felt more comfortable if they had someone like Mr. Jackson there."

Perhaps comfort explains the frequency with which the CDC has hired Jackson's firms. From March 2002 to July 2003, the latest date covered in a contract database, the agency engaged McKing an average of once every six days.

About 45 minority-owned firms qualify for contracting preferences at the CDC, Gimson said. Of the agency's 31 active contracts with minority businesses, a government report from late last fall said, McKing held 15.

### **'Straight and narrow'**

Jackson's professional life centered on the CDC long before he became a consultant. He joined the agency in 1964, a year after he graduated from what is now Georgia Southern University, according to McKing's Web site. Jackson advanced along the agency's management track, and a series of promotions culminated in 1992 when he became chief financial officer and the head of management and operations. The CDC's director was Jackson's only boss.

In the late 1990s, Jackson began planning his retirement. Like other senior administrators, he would be barred by federal law from doing business with his former agency for one year after his departure. The law also would prohibit him from working as a consultant on projects in which he had been directly involved as a federal official, said Gary Mote, a spokesman for the General Services Administration, which oversees government contracting.

"Any other project," Mote said, "he would be free to use his knowledge.

Jackson went to some lengths to follow the law, said Kay Thurman, a former CDC ethics officer. In addition to conferring with her, Thurman said, Jackson spoke with government lawyers in Atlanta and Washington.

Jackson was one of "many, many" departing CDC employees who sought guidance on becoming contractors for federal agencies, Thurman said. "It's legal and ethical for them to come back under certain circumstances," she said. "Mr. Jackson walked a straight and narrow line."

### **No-bid deals**

On March 1, 1999, days after leaving the CDC, Jackson went to work for Management Assistance, based in Middleburg, Va. For the next year, he had no contact with his former agency and the company did no work for the CDC, said Barbara Kinosky, the firm's lawyer.

In September 2000, Management Assistance received its first contract from the CDC, the first of three it would get while employing Jackson. He "marketed and obtained" two of the contracts, worth about \$6 million, Kinosky said, but played no role in the third deal, worth \$1.2 million. One of the contracts Jackson negotiated was awarded with no competitive bidding.

Jackson left Management Assistance on March 1, 2002, the firm said. Immediately, he joined McKing Consulting.

McKing had been founded in September 2000 by Sandra L. King, who had spent nine years working for other federal contractors.

King declined to comment.

Before hiring Jackson, McKing had obtained one contract from the CDC, said Joanne Zimolzak, a lawyer for the company. Since the firm recruited Jackson, the CDC has given McKing 76 jobs, records show. Purchasing documents called for the agency to pay McKing \$14.6 million.

In 66 instances, according to a database of CDC contracts, the agency gave work to McKing without seeking competitive bids. For other work, McKing competed with as few as three other minority-owned firms.

When the government hires contractors, "typically we seek fair and open competition," said Mote, the GSA spokesman. But federal policy encourages agencies to set aside business for minority-owned firms, and rules for awarding that work are relaxed.

To justify no-bid deals with McKing, CDC officials noted in purchasing documents that the company's employees "already have a thorough understanding of the organizational structure and administration" of agency programs. McKing, the officials wrote, was "perhaps the only available contractor."

#### **'Critical part' of work**

McKing helped the CDC update its smallpox response plan. It evaluated a women's health program. It provided laboratory analysts. It helped Julie Gerberding, the CDC's director, with a plan to streamline the agency's management, formally announced last week. Purchasing documents for that job said the contractor needed "knowledge of CDC organization, culture and functional responsibilities."

Other assignments, though, appeared to call for little special knowledge of the CDC.

The agency hired McKing several times for communications and Web design jobs. For another job, documents show, McKing was to provide two "on-site contractors" who would have to meet several "technical requirements": the ability to type "a wide range of documents . . . using word processing software," transmit and receive data "using software applications such as e-mail," and "assign file names and add, delete or revise files as required."

The CDC's Office of Terrorism and Preparedness Response hired McKing to provide a consultant for "administrative support." Among the consultant's required qualifications: "knowledge of front office etiquette."

Even on such mundane jobs, CDC officials said, McKing performs valuable work. With the Bush administration directing agencies to hire private companies for administrative duties, said Gimson, the CDC will contract out more services, and not just to former employees.

"We really do depend on contractors as a critical part of the work we do," Gimson said. "We're not contracting for individuals. We're contracting for very specific services."

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