# Leave the Door Open? Towards a Context-Based Approach to the Revolving Doors

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*Policymakers and academics have extensively debated the extent and the nature of the revolving door phenomenon—the interchange of personnel between the government and the private sector. Proponents claim that the transition of former regulators into commercial firms fosters compliance with regulation and encourages aggressive enforcement practices. On the other hand, critics argue that the interchange of personnel exposes public officials to regulatory and cultural capture. The revolving door debate, which has only intensified in recent years, still remains largely binary, treating the revolving door as a single undifferentiated practice.*

*This Article aims to reconcile these different viewpoints by showing that not all interchange is the same. We argue that the revolving doors are context-dependent—meaning their extent and nature vary based on the circumstances—and that regulation and discourse surrounding the phenomenon should be adapted accordingly. To do so, we provide a comprehensive, hand-collected analysis of 6,430 directors and executive officers serving current S&P 500 companies, using DEF-14A filings published in the fiscal year 2024. Through extensive empirical analysis of the U.S. market's largest public firms, we show that the revolving doors manifest differently based on the agency or department from which revolvers came, the level of seniority that they held within the agency or department, the sector within which they worked, the positions that they currently hold in the private sector, and the length of time between their exit from the public sector*

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*and their entrance into S&P 500 firms. In addition, we show that the phenomenon is prescribed different normative desirability in academic literature based on these same criteria.*

*To connect our theoretical discussion and empirical findings, we offer a novel framework for contextualizing the regulatory approach to the revolving doors. Regarding the public-sector side of the phenomenon, we argue that federal regulations should differentiate between executive agencies and departments when implementing post-employment restrictions for public officials. With respect to the private-sector side, we offer a unique regulatory approach that focuses on differentiating regulation according to the destinations of the revolvers. Afterwards, we explain that a context-based approach to the revolving doors requires that agencies and departments collect data regarding former employees who transition into the private sector. Finally, we discuss the underexplored role that public firms can play in self-regulating the revolving doors, in light of their increased commitments to act as good corporate citizens in the modern era of stakeholderism.*

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## INTRODUCTION

The revolving door phenomenon has long been the subject of public scrutiny.[1] Critics suggest that the interchange of personnel between the public and private sectors has contributed to various types of market failure, including limited criticism of regulatory gaps,[2] deference to corporate juggernauts,[3] and severe cases of regulatory capture.[4] This, in turn, has provoked the introduction of legislation that serves to strengthen post-employment restrictions for public officials.[5] Indeed, many anecdotes regarding senior government officials transferring to central roles in the private sector raise ethical concerns regarding the integrity of the regulator.[6]

One of the most striking examples of this is the 2008 global financial crisis. Critics argue that revolving doors, especially those between the Treasury and the financial sector, may have impacted the regulatory changes that eventually contributed to the crisis itself.[7] Furthermore, significant portions of those who were involved in the post-2008 crisis regulation of the

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1. *See, e.g.*, Andrew Ross Sorkin et al., *How Tax Giants Write Their Own Rules*, N.Y. TIMES (Sept. 20, 2021), https://www.nytimes.com/2021/09/20/business/dealbook/treasury-department-tax-jobs.html; Bryan Metzger, *9 Years Through the Revolving Door: How the GOP's Top Senate Recruit in Michigan Got Rich After Leaving Congress*, BUS. INSIDER (Feb. 12, 2024), https://www.businessinsider.com/mike-rogers-revolving-door-michigan-senate-financial-disclosures-2024-2 [https://perma.cc/9X76-3YXS]; Seth Millstein, *How Revolving Door Politics Corrupt Food Systems*, SENTIENT POL'Y (Dec. 16, 2024), https://sentientmedia.org/revolving-door-politics-corrupt-food-systems [https://perma.cc/VM2N-GUVX].

2. *See, e.g.*, Andrew Ross Sorkin, *Revolving Door at S.E.C. Is Hurdle to Crisis Cleanup*, N.Y. TIMES (Aug. 1, 2011), https://archive.nytimes.com/dealbook.nytimes.com/2011/08/01/revolving-door-at-s-e-c-is-hurdle-to-crisis-cleanup.

3. *See, e.g.*, Patrick Malone, *Congress Protests 'Revolving Door' to Boeing While Rushing Through It*, SEATTLE TIMES (Oct. 31, 2024), https://www.seattletimes.com/business/boeing-aerospace/congress-protests-revolving-door-to-boeing-while-rushing-through-it [https://perma.cc/H6TM-XDP4].

4. *See, e.g.*, Peter J. Henning, *S.E.C.'s Revolving Door Draws More Scrutiny*, N.Y. TIMES (June 18, 2010), https://archive.nytimes.com/dealbook.nytimes.com/2010/06/18/s-e-c-s-revolving-door-draws-more-scrutiny.

5. *See, e.g.*, Close the Revolving Door Act, S. 2561, 118th Cong. (2023).

6. Brian Wallheimer, *Should We Stop the 'Revolving Door?'*, CHI. BOOTH REV. (Aug. 7, 2017), https://www.chicagobooth.edu/review/should-we-stop-revolving-door [https://perma.cc/8KEW-AZK7] ("Despite years of political bluster, policy makers haven't been able to keep the revolving door from spinning. This is partly because critics of the regulator-industry churn are basing their concerns largely on anecdotes, as there's more innuendo than empirical evidence of a big problem.").

7. *See, e.g.*, ORG. FOR ECON. CO-OPERATION AND DEV., REVOLVING DOORS: EMERGING REGULATORY CONCERNS AND POLICY SOLUTIONS IN THE FINANCIAL CRISIS 19–24 (2009), https://one.oecd.org/document/GOV/PGC/ETH(2009)2/REV1/en/pdf.

financial industry later transferred from Congress to the private sector, raising questions about the efficacy of their legislative work.[8] Some claim that the phenomenon of the revolving doors may explain a certain laxity in financial regulation following the recession,[9] including government bailouts of Wall Street firms and a lack of enforcement against those who contributed to the crisis.[10]

Those critiques levied against the revolving doors regarding the financial crisis were also directed towards the specific officials who passed through them, coined "revolvers" in this Article. For example, Timothy Geithner was the president of the Federal Reserve Bank of New York from 2003 to 2009 and then Treasury Secretary from 2009 to 2013, overseeing banks during the financial crisis.[11] There, critics suggest that he pushed to bail out regulated banks and prevented efforts to substantially discipline them and their executives. This criticism is heightened by the claims that it was Geithner's policies that enabled the financial crisis in the first place.[12] After leaving the public sector, Geithner joined a private equity firm and secured a line of credit with JPMorgan,[13] one of the banks that he had overseen as a regulator. This led to his description as "a poster child for much of what ails our current financial system."[14]

Geithner is far from the only former government official to receive criticism for passing through the revolving door, especially when it leads to influential public-sector firms. For example, Darleen Druyun, a high-ranking

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8. For example, former Congressman Brad Miller explained that some of those who limited Congress' crackdown on Wall Street transitioned shortly after to firms who they previously regulated. *See* Jeff Stein, *Many Lawmakers and Aides Who Crafted Financial Regulations After the 2008 Crisis Now Work for Wall Street*, WASH. POST (Sept. 7, 2018), https://www.washingtonpost.com/business/economy/many-lawmakers-and-aids-who-crafted-financial-regulations-after-the-2008-crisis-now-work-for-wall-street/2018/09/07/50f63a1e-b075-11e8-a20b-5f4f84429666_story.html.

9. *See id.* ("Critics of the revolving door say it helps explain why Congress—even as it deployed hundreds of billions of dollars to bail out Wall Street—didn't take tougher steps to rein it in.").

10. *See* PROJECT ON GOV'T OVERSIGHT, DANGEROUS LIAISONS: REVOLVING DOOR AT SEC CREATES RISK OF REGULATORY CAPTURE 3, 8–12 (2013), https://docs.pogo.org/report/2013/20130211-dangerous-liaisons-sec-revolving-door.pdf [https://perma.cc/V57X-7ZG7].

11. *See* Miles Weiss & Kiel Porter, *Geithner Gets JPMorgan Credit Line to Invest with Warburg Pincus*, WASH. POST (Feb. 8, 2016), https://www.washingtonpost.com/business/economy/geithner-gets-jpmorgan-credit-line-to-invest-with-warburg-pincus/2016/02/08/cc9b72fa-ceb5-11e5-b2bc-988409ee911b_story.html.

12. *See* Darrell Delamaide, *Ex T-Man Geithner Cashing in on Wall Street*, USA TODAY, https://www.usatoday.com/story/money/2016/02/09/ex-treasury-secretary-geithner-cashing-wall-street/80057762 (Feb. 9, 2016), [https://perma.cc/8EZJ-GUQL].

13. Weiss & Porter, *supra* note 11.

14. Delamaide, *supra* note 12.

Air Force procurement official, received a nine-month prison sentence for approving a procurement contract with Boeing at inflated prices, in return for enhancing her prospects of lucrative employment at Boeing after her retirement from the public sector.[15] More recently, Scott Gottlieb, the former chief of the Food and Drug Administration ("FDA"), was criticized for joining the board of the pharmaceutical company Pfizer a mere eighty-three days after leaving the FDA.[16] Likewise, former Senator Pat Toomey was lambasted for fighting to preserve a tax loophole that benefits private equity executives and receiving campaign contributions from financial institutions prior to transferring to the private equity firm Apollo Global Management.[17]

This topic has recently sparked bipartisan condemnation. Democratic Senator Elizabeth Warren, for example, has lambasted the revolving doors between government and the private sector, pushing for legislation that would combat "influence-peddling loopholes" by extending cooling-off periods and expanding disclosure requirements for government officials.[18] Similarly, Republican Representative Bill Posey has criticized politicians who pass through the revolving door for failing to focus on "serving [their] fellow Americans."[19]

Moreover, the revolving door phenomenon has long piqued the interest of policymakers, scholars, and journalists,[20] and this interest has only intensified

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15. Renae Merle & Jerry Markon, *Ex-Air Force Official Gets Prison Time*, WASH. POST (Oct. 2, 2004), https://www.washingtonpost.com/archive/politics/2004/10/02/ex-air-force-official-gets-prison-time/73d68b15-bcce-419d-bdbe-a7b9ee7453c8.

16. Donato Paolo Mancini, *Ex-FDA Boss Joins Pfizer 83 Days After Leaving US Drug Regulator*, FIN. TIMES (June 27, 2019), https://www.ft.com/content/b41af990-9922-11e9-8cfb-30c211dcd229.

17. Julia Rock & Andrew Perez, *Former Senator Pat Toomey Has Walked Through the Revolving Door of Politics and Finance*, JACOBIN (Feb. 28, 2023), https://jacobin.com/2023/02/senator-pat-toomey-private-equity-board-revolving-door [https://perma.cc/ZPL3-P43W].

18. *See* Press Release, Elizabeth Warren, U.S. Sen., U.S. Senate, ICYMI: At Hearing, Warren Blasts Revolving Door Between DoD and Giant Defense Contractors, Calls for Sweeping Ethics Legislation (Apr. 26, 2023), https://www.warren.senate.gov/newsroom/press-releases/icymi-at-hearing-warren-blasts-revolving-door-between-dod-and-giant-defense-contractors-calls-for-sweeping-ethics-legislation [https://perma.cc/8BAY-HHMC].

19. Alex Leary, *Bill Posey Wants to Limit Washington's 'Revolving Door'*, TAMPA BAY TIMES (Feb. 14, 2013), https://www.tampabay.com/bill-posey-wants-to-limit-washingtons-revolving-door/2105903.

20. *See, e.g.*, Tabby Kinder & Cynthia O'Murchu, *Palantir's 'Revolving Door' with Government Spurs Huge Growth*, FIN. TIMES (Feb. 7, 2025), https://www.ft.com/content/a65c93af-abf9-427c-a2ee-a9f5b3d518b9 (describing the benefits that defense firms like Palantir have gained from the revolving doors); *Don't Get Stuck in the Revolving Door: A Primer on Federal Post-Government Employment Restrictions*, COVINGTON & BURLING LLP (Jan. 27,

in recent months, especially in light of President Trump's re-election. In his previous term, President Trump expressed dissatisfaction with the interchange of personnel between the public and private sectors, suggesting that Department of Defense officials should not be able to directly transition to companies that procured contracts with their agency.[21] However, President Trump himself was criticized for numerous revolving-door nominations,[22] for passing through the revolving door from business to politics,[23] and for taking very few measures to actively "drain the swamp" as he proposed during his

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2025), https://www.cov.com/en/news-and-insights/insights/2025/01/dont-get-stuck-in-the-revolving-door-a-primer-on-federal-post-government-employment-restrictions [https://perma.cc/HG8G-WQ7H] (illustrating the significant increase in revolving door transitions under the Trump administration); Raymond Fisman et al., *Revolving Door Laws and Political Selection* (Nat'l Bureau of Econ. Rsch., Working Paper No. 33626, 2025), https://www.nber.org/system/files/working_papers/w33626/w33626.pdf [https://perma.cc/XJE3-U6YY] (examining the effect of revolving door regulation in the political sphere); Benjamin C. Underwood, *Patriots Over Profits: Incentivizing Corporate Responsibility in Defense Contracts*, 53 HOFSTRA L. REV. 267, 271 (2024) (characterizing the defense sector as an "an industry that offers attractive and lucrative employment opportunities for regulators that make the switch to the private sector, with almost no legal limitations on the ability of former government employees to do so").

21. *See* Christian Davenport, *Trump Takes Aim at Pentagon's 'Revolving Door' and Lockheed Martin's $400 Billion F-35 Program*, WASH. POST (Dec. 12, 2016), https://www.washingtonpost.com/news/checkpoint/wp/2016/12/12/trump-takes-aim-at-pentagons-revolving-door-and-lockheed-martins-400-billion-f-35-program.

22. *See* Andrea Beaty & KJ Boyle, *Trump's Former Officials Are Helping Corporations Overturn the FTC's Noncompete Ban*, REVOLVING DOOR PROJECT (July 3, 2024), https://therevolvingdoorproject.org/trumps-former-officials-helped-corporations-overturn-the-ftcs-noncompete-ban [https://perma.cc/294Y-3966]; *Mar-a-Lago's Revolving Door: The Billionaires Influencing Trump*, NPR (Dec. 17, 2024), https://www.npr.org/2024/12/17/1219887501/here-now-anytime-12-17-2024 [https://perma.cc/BH6L-VB8L]; Press Release, Tammy Baldwin, U.S. Sen., U.S. Senate, Baldwin and Cummings: President Trump's Revolving Door Between Wall Street and Washington Keeps Spinning (Jan. 26, 2017), https://www.baldwin.senate.gov/news/press-releases/baldwin-cummings-cohn-statement [https://perma.cc/4EAH-AZ25]; Lee Fang, *Donald Trump Is Filling Top Pentagon and Homeland Security Positions with Defense Contractors*, INTERCEPT (Mar. 21, 2017), https://theintercept.com/2017/03/21/revolving-door-military [https://perma.cc/5U8V-BNTT].

23. *See* Daniel Kinderman, *Donald Trump, Anti-Establishment Populism and the Revolving Door Between Business and Politics in the United States*, 68 J. BUS. HIST. ZUG 289, 289–90 (2023).

campaign.[24] These criticisms have followed President Trump into his current term.[25]

On the other hand, some have stressed the unique benefits of the interchange between public and private sectors.[26] Proponents claim that the transition of former regulators to the regulated industry can encourage stronger compliance with regulators and foster beneficial connections between the public and private sectors.[27] The exchange between the two, in their view, may serve to facilitate the exchange of ideas and align their respective interests. Furthermore, they claim that the revolving doors are not an immediate sign of suboptimal regulation and should not be over-scrutinized.[28]

Some have gone so far as to question the need to regulate the revolving doors. Steven Pearlstein, for example, criticized the notion that the

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24. Josh Dawsey, *Hours Before Leaving Office, Trump Undoes One of the Only Measures He Took to 'Drain the Swamp'*, WASH. POST (Jan. 20, 2021), https://www.washingtonpost.com/politics/trump-lobbying-executive-order/2021/01/20/4a2afd16-5ae9-11eb-a976-bad6431e03e2_story.html.

25. *See, e.g.*, Chris Lewis, *The Revolving Door Project Criticizes Nomination of Linda McMahon as Secretary of Education*, REVOLVING DOOR PROJECT (Nov. 20, 2024), https://therevolvingdoorproject.org/the-revolving-door-project-criticizes-nomination-of-linda-mcmahon-as-secretary-of-education [https://perma.cc/ZL5A-WRUX ]; Daniel Trotta & Eric Beech, *Trump Names Elon Musk to Lead Government Efficiency Drive*, REUTERS (Nov. 13, 2024), https://www.reuters.com/world/us/trump-says-elon-musk-vivek-ramaswamy-will-lead-department-government-efficiency-2024-11-13; Cat Zakrzewksi & Jacqueline Alemany, *Elon Musk Isn't the Only Tech Leader Helping Shape the Trump Administration*, WASH. POST (Jan. 13, 2025), https://www.washingtonpost.com/politics/2025/01/13/andreessen-tech-industry-trump-administration-doge.

26. *See generally* David Zaring, *Against Being Against the Revolving Doors*, 2013 U. ILL. L. REV. 507, 511 (arguing that the "revolving door's harms are usually overstated, that the policy prescriptions usually derived from it are misguided, and that the benefits of the revolving door . . . are overlooked"); Wentong Zheng, *The Revolving Door*, 90 NOTRE DAME L. REV. 1265, 1276–80 (2015) (discussing the "human capital" theory and how this strengthens the regulatory regime through interchanges of expertise); Alexander I. Platt, *The Non-Revolving Door*, 46 J. CORP. L. 751, 758 (2021) (addressing "the prospect of private sector employment may also give SEC employees some incentives to strengthen regulation"); Amy J. Hillman, *Politicians on the Board of Directors: Do Connections Affect the Bottom Line?*, 31 J. MGMT. 464, 478 (2005) (explaining "the positive association between such directors on the board and market measures of performance indicates the market at least perceives such benefits exist").

27. *See, e.g.*, Andrew Ackerman, *Revolving Door Helps SEC, Chairman Says*, WALL ST. J. (Oct. 3, 2013), https://www.wsj.com/articles/BL-MBB-9307; Dave Michaels, *SEC's Grewal Moves to Wall Street After Turning Tough as Its Overseer*, WALL ST. J. (Oct. 15, 2024), https://www.wsj.com/articles/secs-grewal-moves-to-wall-street-after-turning-tough-as-its-overseer-299e1f17.

28. *See, e.g.*, Peter J. Henning, *S.E.C.'s Revolving Door Draws More Scrutiny*, N.Y. TIMES (June 18, 2010), https://archive.nytimes.com/dealbook.nytimes.com/2010/06/18/s-e-c-s-revolving-door-draws-more-scrutiny.

interchange of personnel between the public and private sectors creates incentives for regulatory capture.[29] Pearlstein suggests that regulators need to have an understanding of the regulated industry, and that "quid pro quos" or personal connections with regulators do not pose a serious issue.[30] Similarly, David Zaring argues that we should learn to live with the revolving doors instead of combating the phenomenon with "symbolic legislation or econometric analysis."[31] Proponents, like Pearlstein and Zaring, recommend that we do away with stringent regulations on the revolving doors altogether.

That is, the phenomenon of revolving doors has provoked significant debate. Some have deemed it necessary to "close the revolving door between private and public sectors" and encourage more "stringent transparency measures,"[32] while others suggest that we take advantage of the positive effects that the phenomenon may bring with respect to "competent and qualified regulators in the civil service."[33] This Article aims to *bridge the gap* between the traditional viewpoints of the revolving doors.

We challenge the conventional, binary views of the revolving door phenomenon, which minimize the discourse to a zero-sum analysis of benefits or disadvantages. Instead, we develop a novel theory which explains that the interchange of personnel between the public and private sectors is

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29. Steven Pearlstein, *A Revolving Door? So What?*, WASH. POST (July 1, 2003), https://www.washingtonpost.com/archive/business/2003/07/02/a-revolving-door-so-what/60f6d7d2-8d6f-4302-a1f1-8e345815554d.

30. *Id.* ("As for the somewhat cynical process of buying access and inside information, I don't for a minute buy the industry line that everyone is punctilious about compartmentalizing information and nobody cashes in on past relationships. But so what? By this point, everyone has figured out how to play that game, leaving no company with any big or long-lasting advantage.").

31. Zaring, *supra* note 26, at 546 ("But these are not the only reasons to rethink the drumbeat of criticism of the revolving door, which is why this Article concludes with a call to make peace with the revolving door, rather than to constantly decry it, either through symbolic legislation or econometric analysis.").

32. ELEANOR EAGAN & ANDREA BERTY, REVOLVING DOOR PROJECT, REBUILDING PUBLIC TRUST: SIX PRINCIPLES TO GUIDE REFORM 4 (2024), https://therevolvingdoorproject.org/wp-content/uploads/2024/10/Rebuilding-Public-Trust-Six-Principles-to-Guide-Reform.pdf [https://perma.cc/8C5V-L7SV] ("President Biden's executive order on ethics was only a modest step up on what has been standard, failing to take the large strides necessary to close the revolving door between private and public sectors, mandate divestitures, or require compliance with stringent transparency measures.").

33. Elize S. Brezis, *Should We Regulate the Revolving Door of Regulators*?, PROMARKET (Apr. 14, 2023), https://www.promarket.org/2023/04/14/should-we-regulate-the-revolving-door-of-regulators [https://perma.cc/G992-9WKW] ("On the one hand, the revolving door solves the problem of hiring competent and qualified regulators in the civil service. It is in the interest of the government to allow the revolving door, since regulators are heterogeneous in their abilities, and higher quality regulators enable higher productivity and economic growth . . . The optimal solution then is to allow the revolving door because the benefits of competent regulators outweigh the costs of bureaucratic capital.").

context-dependent and should be dealt with accordingly. We explain that regulations of the revolving doors should be contextualized by *differentiating* between certain variables, including the sector, agencies, and departments from which revolvers transition; the level of seniority they hold in their public sector positions; the sectors within which they choose to work after leaving their government roles; the firms to which they transition; and the positions that they choose to hold in the private sector. We back our theoretical framework of the revolving doors with an in-depth empirical analysis that utilizes a unique dataset of directors and executive officers from all current S&P 500 firms.

It should be noted that transitioning into the largest public firms is but one aspect of the revolving door phenomenon. Much academic and public discourse has also focused on other aspects, such as former public officials gaining employment as lobbyists and strategic consultants.[34] Officials may also join large law,[35] accounting,[36] or private equity firms[37] in which they can use their previous role and the connections they gained to advance their clients' interests. These will not be counted in our study of the S&P 500. However, we chose to focus on the transition of former regulators to the market's largest public firms, as their significant effect on society as a whole

34. *See, e.g.*, Darrell Ehrlick, *Tester Pushes for Lifetime Ban of Former Members of Congress from Becoming Lobbyists*, DAILY MONTANAN (July 26, 2023), https://dailymontanan.com/2023/07/26/tester-pushes-for-lifetime-ban-of-former-members-of-congress-from-becoming-lobbyists [https://perma.cc/6P2W-CM5S]; Close the Revolving Door Act, S. 2561, 118th Cong. (2023); James Strickland, *The Declining Value of Revolving-Door Lobbyists: Evidence from the American States*, 64 AM. J. POL. SCI. 67, 67 (2020); Joshua McCrain, *Revolving Door Lobbyists and the Value of Congressional Staff Connections*, 80 J. POL. 1369, 1369 (2018).

35. *See, e.g.*, *BigLaw Revolving Door Series*, REVOLVING DOOR PROJECT, https://therevolvingdoorproject.org/biglaw-revolving-door-series [https://perma.cc/VDR5-39MP]; Abigail Adcox, *From Guaranteed Comp to Ethics Screens, How Big Law Navigates the Revolving Door*, LAW.COM (Oct. 29, 2024), https://www.law.com/nationallawjournal/2024/10/29/from-guaranteed-comp-to-ethics-screens-how-big-law-navigates-the-revolving-door [https://perma.cc/WF7R-7VRB]; Daniel Eyal, *The Federal Prosecutor-Big Law Revolving Door*, HARV. L. SCH. CTR. ON LEGAL PRO. (Oct. 31, 2021), https://clp.law.harvard.edu/knowledge-hub/insights/the-federal-prosecutor-big-law-revolving-door-good-bad-regardless-its-here-to-stay [https://perma.cc/Q9RS-CDTL].

36. *See, e.g.*, Sorkin et al., *supra* note 1; Letter from Elizabeth Warren, U.S. Sen, U.S. Senate, & Pramila Jayapal, U.S. Rep., U.S. House of Reps., to Daniel Werfel, Comm'r, Internal Revenue Serv. (Sept. 27, 2023), https://www.warren.senate.gov/imo/media/doc/2023.09.27%20Letter%20to%20IRS%20on%20TIGTA%20Report.pdf [https://perma.cc/UM46-TAKV]; David S. Hilzenrath, *How Accountants Took Washington's Revolving Door to a Criminal Extreme*, PROJECT GOV'T OVERSIGHT (Jan. 14, 2020), https://www.pogo.org/investigates/how-accountants-took-washingtons-revolving-door-to-a-criminal-extreme.

37. *See, e.g.*, *supra* notes 11–14; *see also* Rock & Perez, *supra* note 17.

makes the effective regulation of these firms of paramount importance.[38] Consequently, implementing regulations with respect to these firms requires caution and substantive bases.

To gain a better understanding of the effects of current regulations and of the significant public discourse, we provide a comprehensive, hand-collected empirical analysis of the employment history of 6,430 directors and executive officers from the current S&P 500 companies in the year 2023. We examine the roles of those who served in the public sector, including the agency or department from which they transitioned, the sector in which they worked, and the level of seniority they held. Afterwards, we note the length of their transition period to the private sector, and we analyze characteristics of their current private-sector positions.

Our findings provide unique takeaways relevant to the discourse regarding the revolving doors. *First*, we note that 495 out of 6,430 (7.7%) directors and executive officers in the S&P 500 worked in the public sector before entering their current private-sector positions,[39] suggesting that the majority of executive personnel in S&P 500 firms do not have previous regulatory experience. However, we also found that 298 out of 500 firms hired at least one former government official to their leadership, which highlights that most firms value the presence of some regulatory experience in their executive personnel.

*Second*, we show that the extent of the revolving doors varies between different public agencies and departments.[40] We found higher numbers of revolvers from agencies and departments like the Military, the Federal Reserve, and the Department of Defense, from which 16.8%, 13.1%, and 6.1% of the revolvers in our sample exited, respectively. Conversely, we noted agencies that saw little to no revolvers in our sample, like the Federal Trade Commission ("FTC"), the Federal Aviation Administration ("FAA"), and the Environmental Protection Agency ("EPA"). Furthermore, we note that the level of seniority of revolvers in their former public-sector roles also differs based on the agency or department in which they worked. In this Article, the terms "agency" and "department" are used broadly to describe various governmental units and the different positions that can be held within the different branches of government.

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38. *See, e.g.*, Gabriel Rauterberg, *The Corporation's Place in Society*, 114 MICH. L. REV. 913, 913 (2016) ("The public corporation is usurping the state's role as the most important institution of wealthy capitalist societies.").

39. *See infra* Section III.B.1.

40. *See infra* Section III.B.2.

*Third*, we explain that the revolving doors manifest differently across the various sectors from which revolvers transitioned.[41] We note that more revolvers transition from the Defense, Financials, and Politics sectors than the Communications and Health Care sectors. Furthermore, we analyze the extent to which revolvers transition within the same sector. We find that out of 495 revolvers, only 128 transitioned to firms within the same sector as the agency or department from which they transitioned, which is often the type of revolver that causes the greatest concern. That is to say, the vast majority of revolvers do not transition to the sectors which they regulated when they worked in government.

*Fourth*, we analyze the positions that revolvers hold within S&P 500 firms once they transition into the private sector.[42] We noted that the absolute majority of revolvers transition into boards of directors. Interestingly, we also found a significant number of revolvers who transition into positions that are often overlooked in the literature, like Chief Legal and Compliance Officers. On one hand, these officers may be hired in the hope that their expertise will strengthen regulatory compliance;[43] on the other hand, such hiring practices may also heighten concerns of regulatory and cultural capture, given their active involvement in the stages of the regulatory process.[44]

*Fifth*, we examine the cooling-off periods of revolvers, or the period between their exit from the public sector and their entrance into their current S&P 500 positions.[45] Here, we found that over one-third of revolvers in our sample transitioned to the S&P 500 within two years of leaving the public sector. Revolvers from Congress and the Federal Reserve saw significantly shorter average cooling-off periods—2.8 and 3.7 years, respectively—than those from agencies or departments like the Securities and Exchange Commission, the Department of Energy, and the Department of Justice, with averages of 11.4, 11.7, and 13.5 years, respectively. Finally, we discuss the

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41. *See infra* Section III.B.3.

42. *See infra* Section III.B.4.

43. These executive positions warrant specific expertise in the firm's respective industry, which may play a factor in their hiring trends. *See, e.g.*, Jill Fisch, *Overseeing the Administrative State*, 47 SEATTLE U. L. REV. 899, 923 (2024) ("Notably, a greater emphasis on expertise would, for many agencies, involve drawing from members of regulated industries and lawyers who represent them. Consequently, a greater emphasis on expertise would reduce necessarily reduce the degree to which industry background, potential conflicts of interest and the revolving door are considered disqualifying attributes.").

44. *See* Platt, *supra* note 26, at 757.

45. *See infra* Section III.B.5. For the sake of our analysis, we use the term "cooling-off period" to describe the period of time between a revolver's final public sector role and the entrance into their current position in S&P 500 firms.

extent of advisory committee participation among S&P 500 leadership and note its relationship with the revolving doors.[46]

In addition, we analyze the implications of our empirical findings, highlighting that the nature of the revolving doors differs according to various criteria. We show that conclusions regarding the normative desirability of the phenomenon vary heavily within the revolving door literature based on these same criteria—some attribute theories of "human capital" to the hiring of former government officials, especially in some sectors and agencies, while others prescribe concerns of "regulatory capture" to the phenomenon, as we have seen in other areas.[47] As a result, the debate surrounding the revolving doors cannot be reduced to a one-size-fits-all approach.

Based on our theoretical discussion and empirical analysis, we offer a unique normative framework that aims to contextualize the discourse and regulation surrounding the revolving doors.[48] First, we explore the public-sector side of the revolving doors, where we suggest that policymakers differentiate between sectors and agencies when implementing post-employment restrictions on public officials. Second, we offer a new regulatory approach that focuses on regulating the private-sector side of the phenomenon. Here, we discuss tailoring revolving door regulations so that they take into account the destination to which revolvers arrive, including the firms that they can join and the positions that they can hold there. Third, we examine the ability of government agencies to collect and analyze data regarding the transition of former employees into the private sector and its potential benefits for contextualizing the phenomenon. Finally, we explore the role that firms should play in dealing with the revolving doors, considering their declared commitments to stakeholderist objectives that stray from traditional shareholder value maximization.

This Article has several important contributions to the revolving door literature. First, this Article provides comprehensive, up-to-date empirical data regarding the transition of former regulators to the private sector, more specifically to S&P 500 firms. Second, we enrich the revolving door debate through extensive findings that serve to contextualize policies and regulations with respect to different sectors, regulators, and firms. Third, our analysis focuses on the employment of former public officials within the market's largest public companies, which serves as a unique foundation for examining

46. For further discussion regarding the role of federal advisory committees, see *infra* Section III.B.6.

47. *See infra* notes 156–161 and accompanying text; *see also infra* notes 172–175 and accompanying text.

48. See *infra* Part IV.

the efficacy of modern revolving door regulation and discourse. Finally, we connect our theoretical discussion and empirical findings with policy implications that can serve to create more tools for effectively regulating the revolving doors.

This Article unfolds in four parts. Part I broadly analyzes the revolving door phenomenon, specifically as it relates to the transition of former regulators into the private sector. Part II discusses the importance of leading public firms, on which this Article focuses, in the context of regulatory integrity and oversight. We explain that, due to the significant effect of the leading public companies on the economy, society, and the political world, the revolving door's impact on this field specifically is particularly important. Part III provides a holistic empirical analysis of the former employment of directors and executive officers in the leading public firms of the S&P 500. We examine the distribution of revolvers across different criteria, illustrating unique trends in the revolving door between regulators and large firms in regulated industries. Part IV offers policy implications that derive from our empirical analysis, especially as it relates to the post-employment restrictions on public officials.

## I. REVOLVING DOORS: A GENERAL OVERVIEW

The "revolving door" phenomenon is characterized by the interchange of personnel between the government and the private sector.[49] Individuals transition from positions of power within the public sector to the market and vice versa, generating concerns about the integrity of the regulatory bodies.[50] This phenomenon has been the subject of widespread discussion in political

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49. James D. Cox & Randall S. Thomas, *Revolving Elites: The Underexplored Risk of Capturing the SEC*, 107 GEO. L.J. 845, 847–48 (2019) ("For years, fears have abounded that the sweet spot for capture of regulatory agencies is the 'revolving door' whereby civil servants migrate from their roles as regulators to private industry."); Rachel E. Barkow, *Insulating Agencies: Avoiding Capture Through Institutional Design*, 89 TEX. L. REV. 15, 23 (2010) ("Third, capture operates because of the revolving-door phenomenon: the heads of agencies often anticipate entering or returning to employment with the regulated industry once their government service terminates."); Edna E. Johnson, *Agency "Capture": The "Revolving Door" Between Regulated Industries and Their Regulating Agencies*, 18 U. RICH. L. REV. 95, 95 (1983) ("The term 'revolving door' is popularly used to describe the interchange of personnel between the government and the private sector.").

50. *See* Cox & Thomas, *supra* note 49, at 847–48.

and economic literature, especially as it relates to the independence of the regulator.[51]

As the name suggests, the revolving door is a two-way street. One direction of the revolving door is the "entrance" route, in which private market participants transition into the public arena. This transition to the public sector can influence the effectiveness of the regulator's enforcement in the market.[52] For example, prior experience may generate undue sympathy for market players' interests, especially among those with whom the respective personnel worked.[53] Appointments of former employees of the regulated industry may therefore increase the likelihood of favorable regulation towards that same industry.[54] The concern is that prominent industry players can insert themselves into the policymaking process at the expense of other stakeholders, who will not be properly addressed by regulators.[55]

The other direction on which this Article focuses is the "exit" route. Here, personnel move away from the public sector and transition from acting as regulators to joining the private sector, which they previously regulated.[56] The exit side has prompted debates among academics and policymakers regarding the integrity of the regulator's decision-making. Some argue that

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51. *See generally* Hillman, *supra* note 26; William T. Gormley, Jr., *A Test of the Revolving Door Hypothesis at the FCC*, 23 AM. J. POL. SCI. 665, 665–83 (1979); Reza Houston & Stephen Ferris, *Does the Revolving Door Swing Both Ways? The Value of Political Connections to US Firms*, 41 MANAGERIAL FIN. 1002 (2015); Simon Luechinger & Christoph Moser, *The Value of the Revolving Door: Political Appointees and the Stock Market*, 119 J. PUB. ECON. 93, 93–107 (2014); Michael E. Shepherd & Hye Young You, *Exit Strategy: Career Concerns and Revolving Doors in Congress*, 114 AM. POL. SCI. REV. 270, 270–84 (2020); Ed deHaan et al., *The Revolving Door and the SEC's Enforcement Outcomes: Initial Evidence from Civil Litigation*, 60 J. ACCT. ECON. 65, 65 (2015); Juliane Wutzler, *The SEC's Revolving Door: Insights from Boards of Directors*, 20 ACCT. PUB. INT. 138, 138–71 (2020); David Lucca et al., *The Revolving Door and Worker Flows in Banking Regulation*, 65 J. MONETARY ECON. 17, 17 (2014); Sophie A. Shive & Margaret M. Forster, *The Revolving Door for Financial Regulators*, 21 REV. FIN. 1445, 1445–84 (2017).

52. Johnson, *supra* note 49, at 95–96.

53. *See, e.g.*, deHaan et al., *supra* note 51, at 66 ("Specifically, revolving doors raise concerns that: (i) prior experience in industry makes SEC personnel unduly sympathetic to industry's interests; or (ii) SEC personnel go easier on violations to curry favor with future employers.").

54. *See, e.g.*, Gormley, *supra* note 51, at 665–83 (finding that the appointment of former personnel in the regulated industry increases the likelihood of favorable decisions in the FCC).

55. Michael P. Vandenbergh et al., *The New Revolving Door*, 70 CASE W. RSRV. L. REV. 1121, 1131 (2020).

56. *Developments in the Law: Conflicts of Interest in the Legal Profession*, 94 HARV. L. REV. 1244, 1428 (1981) ("The term 'revolving door' refers to the phenomenon of individuals who move between government and the private sector and who are often regulators one day, regulated the next, and regulators again the day after.").

the interchange of personnel strengthens regulatory enforcement and ensures better compliance among commercial firms. Others suggest that the transition will generate unjust influence from the regulated industry over government decisions.[57]

Several theories attempt to highlight the potential benefits of the revolving door. The "human-capital" hypothesis, for example, suggests that the flow of former regulators into the market encourages better compliance with government regulation.[58] Private employers hire personnel with technical expertise in the regulatory field, bolstering their ranks with former officials who have shown prowess or who have influential contacts.[59] As a result, firms may partake in more regulatory-friendly behavior and strengthen their compliance measures. To attract these kinds of individuals with relevant knowledge and expertise, there needs to be incentives that promote the interchange of personnel between the public and private sectors.

Alongside the "human-capital" hypothesis, scholars have developed theories that seek to explain patterns of aggressive regulatory enforcement in empirical studies involving the revolving door.[60] One such theory is the "market expansion" hypothesis, which posits that regulators may enhance the scope of regulatory enforcement and authority to create demand for their services in the private market.[61] Public officials may have both financial and reputational incentives that encourage regulators to increase their enforcement efforts, especially when their accomplishments are

57. *See, e.g.*, Vandenbergh et al., *supra* note 55, at 1124–25 ("[M]any have raised concerns that the revolving door may lead to undue corporate influence over government decisions.").

58. *See* Platt, *supra* note 26, at 758 ("When professionals leave the SEC and move to the regulated industry, they may be in a position to facilitate compliance with the regulatory regime because of their expertise or personal commitment to the regime.").

59. For a broad analysis of the human-capital hypothesis, see Zheng, *supra* note 26, at 1276–80; Yeon-Koo Che, *Revolving Doors and the Optimal Tolerance for Agency Collusion*, 26 RAND J. ECON. 378, 379 (1995).

60. *See, e.g.*, Zheng, *supra* note 26, at 1268 (describing how scholars have introduced different theories to explain the growing body of empirical literature finding more aggressive enforcement practices).

61. *Id.* at 1280 ("While the human-capital theory complements the capture theories in explaining the performance incentives the revolving door creates for regulators, it is not the only one that holds such promise. In this Part, this Article contends that both the capture theories and the human-capital theory fail to account for what could be referred to as the "market-expansion" incentive of the revolving door, that is, the incentive for regulators to expand the market demand for services they would be providing when they exit the government.").

measurable.[62] Subsequently, personnel are incentivized to strengthen the regulator's effectiveness and attract favor with possible employers.[63]

Despite the potential benefits, political science and legal scholars have largely discussed the risks arising from the revolving doors. The main concern is that government officials will encourage favorable regulation that curries favor with potential employers in the regulated industry, otherwise known as "rent-seeking" or regulatory capture.[64] The capture theory suggests that regulators may explicitly or implicitly provide preferential treatment towards regulated firms in exchange for future benefits, compromising the agency's integrity.[65]

The effects of regulatory capture are twofold: initially, government officials provide regulatory favors *ex ante* in anticipation of fulfilling their self-serving goals in the private market in the future. The idea is that regulators promote policies that encourage the public interest insofar as their efforts can translate into future employment benefits.[66] Cox and Thomas, for example, suggest that Securities and Exchange Commission ("SEC") employees may favor less aggressive enforcement as a "quid pro quo" for future employment opportunities.[67] Similarly, Stigler argues that regulators who wish to maximize their post-government employment utility should

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62. Margaret H. Lemos & Max Minzner, *For-Profit Public Enforcement*, 127 HARV. L. REV. 853, 854 (2014) ("The incentives are strongest when enforcement agencies are permitted to retain all or some of the proceeds of enforcement — an institutional arrangement that is common at the state level and beginning to crop up in federal law. Yet even when public enforcers must turn over their winnings to the general treasury, they may have reputational incentives to focus their efforts on measurable units like dollars earned.").

63. Some scholars have offered rebuttals to the market-expansion hypothesis. *See, e.g.*, Cox & Thomas, *supra* note 49, at 859 ("The normative implication of the market-expansion hypothesis from the SEC's perspective is less clear than those of the previous two theories. Increased enforcement where market abuses exist certainly seems desirable, but self-serving decisions regarding the structure and quality of the typical enforcement action or agency rulemaking are likely to be detrimental to overall agency performance.").

64. Vandenbergh et al., *supra* note 55, at 1129 ("The first is 'rent seeking,' or regulatory capture. Government employees may act in pro-corporate ways to curry favor with potential private-sector employers.").

65. *Id*.

66. Zheng, *supra* note 26, at 1271 ("[R]egulators who use government service as a steppingstone to private practice would have no incentives to vigorously advocate for the public interest if doing so could not be translated into a larger post-government private practice."); Richard A. Posner, *The Federal Trade Commission*, 37 U. CHI. L. REV. 47, 86 (1969).

67. Cox & Thomas, *supra* note 49, at 863 ("The concern is that current SEC employees might encourage less aggressive enforcement as a quid pro quo for future employment prospects.").

avoid conflicts with the regulated industry.[68] The result is that firm regulation is preemptively hampered by self-serving interests.

Afterwards, transitioning personnel may utilize their knowledge and connections within the public sector *ex post* to garner favorable regulatory treatment. Former officials can curry favor with their former colleagues in hopes of easing the regulatory burden in their respective industry. Private employers tailor their hiring patterns to attain public-sector individuals with the ability to lobby agencies on their behalf, which encourages rent-seeking behavior.[69] These personal connections may implicitly undermine regulatory effectiveness and subsequently facilitate wealth transfers from taxpayers to shareholders of connected institutions.[70]

Other theories highlight additional concerns that accompany the revolving door phenomenon. For example, the "cultural capture" hypothesis suggests that the interchange between the public sector and the regulated industry pushes regulators to inadvertently adopt the ideologies and attitudes of the regulated sector.[71] According to this theory, policymakers and regulators may be captured by industry players with whom they identify and sympathize, subsequently encouraging more lenient regulation.[72] This trend may occur through more direct channels, like personal relationships with private-sector participants, or through cognitive biases that cause regulators to identify with the regulated industry.[73] Cultural theories of capture complement material theories of regulatory bias, which are often complex and empirically contested.

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68. GEORGE J. STIGLER, *Supplemental Note on Economic Theories of Regulation*, *in* THE CITIZEN AND THE STATE: ESSAYS ON REGULATION 137, 137 (1975).

69. Platt, *supra* note 26, at 757 ("This is typically referred to as the 'rent-seeking' hypothesis, the theory being that private employers are interested in hiring regulators primarily because of their personal connections and unique ability to lobby the agency on their behalf.").

70. Lim et al. highlight the effect of personal connections on bank regulation. *See* Ivan Lim et al., *Is the Fox Guarding the Henhouse? Bankers in the Federal Reserve, Bank Leverage and Risk-Shifting*, 58 J. CORP. FIN. 478, 500 (2019) (showing that connected banks are able to extract larger public subsidies and minimize risk exposures).

71. *See, e.g.*, Platt, *supra* note 26, at 757 ("A related concern, referred to as the 'cultural capture' or 'non-materialist capture' hypothesis, is that the high degree of interchange between the SEC and the regulated industry may lead SEC personnel to adopt the attitudes and ideology of the regulated industry." (footnotes omitted)).

72. James Kwak, *Cultural Capture and the Financial Crisis*, *in* PREVENTING REGULATORY CAPTURE: SPECIAL INTEREST INFLUENCE AND HOW TO LIMIT IT 71, 79 (Daniel Carpenter & David A. Moss eds., 2014) ("It is one reason why capture can occur: an industry might consciously set out to induce its regulators to identify with industry members and their interests, and those regulators might make decisions because their conception of the public interest has been colonized by industry.").

73. *Id.* at 80 (describing three mechanisms—identity, status, and relationships—through which the regulated industry can shape regulators' beliefs and actions).

Policymakers and regulators have taken steps to mitigate the revolving door between the government and regulated industries. The main statutes governing the "exit" route of the revolving door are 18 U.S.C. §§ 207–08, which originate from legislation implemented by Congress in 1962.[74] These statutory provisions serve as the basis for current revolving door regulations, offering limitations on government officials during and after their public service.

Section 207 includes a number of provisions that limit former officers of the executive and legislative branches upon leaving their government positions.[75] For example, former executive officials are barred from communicating with current public-sector employees regarding issues in which they participated personally and substantially.[76] Former officials are also barred from similar communications regarding issues with which they had broader connections, albeit for only two years.[77] Similar restrictions, known as "cooling-off periods," are placed on higher-ranking officials, which prohibit revolvers from communicating with and attempting to influence members of their former agencies.[78]

Section 208 governs the behavior of executive officials while they are employed in the public sector with respect to their personal financial interests.[79] Officers and employees of the executive branch and other independent agencies are prohibited from personally and substantially participating in matters in which they have a financial interest.[80] This includes negotiations or arrangements that may concern prospective employment opportunities.[81] The statute's provisions also apply to financial interests of the officer's close family members.[82] Executive officials are able to circumvent these restrictions by informing their supervisor of the relevant matter, making full disclosure of the financial interest, and receiving a written

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74. Bribery and Conflict of Interest Statute of 1962, Pub. L. No. 87-849, 76 Stat. 1119.

75. 18 U.S.C. § 207 (Supp. I 1962).

76. *Id*. § 207(a)(1)(B).

77. *Id*. § 207(a)(2); *see also* Vandenbergh et al., *supra* note 55, at 1133 ("When the relevant matter is more broadly related to the individual's previous government work, the statute only prohibits them from switching sides for two years.").

78. 18 U.S.C. §§ 207(c)–(d) (Supp. I 1962). The cooling-off period is one year for senior personnel of the executive branch and independent government agencies. *Id.* § 207(c). The statute increases the period to two years for "Very Senior Personnel," including vice presidents and certain president appointees. *Id.* § 207(d). Former legislative officials have cooling-off periods ranging from one to two years depending on the position. *Id.* § 207(e).

79. 18 U.S.C. § 208 (Supp. I 1962).

80. *Id*. § 208(a).

81. *Id.*

82. *Id.*

determination that the interest is not so substantial as to affect the integrity of the agency's service.[83]

Congress implemented several provisions over the years to expand regulation of the revolving door. Policymakers introduced the Ethics in Government Act in 1978 following the Watergate scandal, which created disclosure requirements for federal executives regarding their personal financial interests.[84] The act also imposed limits on the outside employment of federal officials and introduced the Office of Government Ethics.[85]

Other policies initiated restrictions on transitions between the public and private sectors. The Ethics Reform Act of 1989 introduced post-employment restrictions on executive and legislative officials and expanded disclosure requirements from the Ethics in Government Act.[86] The Procurement Integrity Act Amendments of 1996 created cooling-off periods between former federal officials and contractors that were awarded contracts exceeding $10 million.[87] Finally, the Honest Leadership and Open Government Act of 2006 extended post-employment restrictions for lobbying activities and established criminal penalties for prospective employment negotiations.[88]

## II. LARGE PUBLIC FIRMS AND REGULATORY INTEGRITY

In this Article, we will analyze the effect of the revolving door phenomenon between the public sector and the largest public firms in the private sector of the United States, specifically those included in the S&P 500 index. The need to examine the revolving doors to these companies is clear: large public corporations are greatly influential with respect to various aspects of modern society and its constituents. Employing directors and corporate officers with recent public-sector experience within these firms may help to maximize shareholder value and advance regulatory compliance;

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83. *Id.* § 208(b)(1).

84. Ethics in Government Act of 1978, Pub. L. No. 95-521, 92 Stat. 1824 (codified as amended at 5 U.S.C. §§ 13101–46).

85. 5 U.S.C. §§ 13144, 13121–26; *see also* Zaring, *supra* note 26, at 524–25 ("That statute first imposed limits on the ability of former employees to represent private parties before their old agency or on matters on which they worked. It also created a government ethics agency to fill in the gaps of the ban and set forth disclosure requirements for high-ranking government officials." (footnotes omitted)).

86. Ethics Reform Act of 1989, Pub. L. No. 101-194, 103 Stat. 1716.

87. National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, § 4304, 110 Stat. 186, 659–65 (codified at 41 U.S.C. § 423).

88. Honest Leadership and Open Government Act of 2007, Pub. L. No. 110-81, 121 Stat. 735 (codified at 2 U.S.C. §§ 1601–14).

however, it may also negatively impact the efficacy of policies that regulate the market and that aim to limit those same corporations. As a result, policymakers need to find balance when regulating the transition of former regulators to the largest public firms.

The significant influence of corporations on the lives of us all is becoming increasingly evident.[89] These corporations have been described as "the most important institution[s] of wealthy capitalist societies,"[90] as "drivers of change" and "bricks of resistance,"[91] and as bearers of economic change and crises.[92] As stated by the Business Roundtable in its "Statement on the Purpose of a Corporation":

> Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide health care; generate and deliver energy; and offer financial, communications and other services that underpin economic growth.[93]

First, corporations are accepted as the "primary vehicle for creating wealth."[94] As such, their effect on household, local, and global economies is substantial. Businesses accounted for 63% of the value added to the GDP in the USA in 2018, and they contribute significantly to innovation, productivity, and economic growth, complementing government actions in

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89. *See* Elisabeth de Fontenay & Gabriel Rauterberg, *The New Public/Private Equilibrium and the Regulation of Public Companies*, 2021 COLUM. BUS. L. REV. 1199, 1202 ("Both public and private companies are of great consequence. In the United States, the 6 million private firms and 3,600 public companies each account for roughly half of total sales, pretax profits, and non-residential fixed investment.").

90. Rauterberg, *supra* note 38, at 913 ("The public corporation is usurping the state's role as the most important institution of wealthy capitalist societies.").

91. Kobi Kastiel & Yaron Nili, *The Corporate Governance Gap*, 131 YALE L.J. 782, 786 (2022) ("Corporate America is omnipresent. From their financial impact on our retirement accounts and communities, to their environmental and social policies, corporations can act as drivers of change or as bricks of resistance.").

92. Hillary A. Sale, *The New "Public" Corporation*, 74 LAW & CONTEMP. PROBS. 137, 142 (2011) ("The recent financial crisis has brought the publicness and impact of corporations to the forefront of people's minds. The loss of jobs, the credit crunch, and the fear of a bank run all were brought on, in part, by public corporations.").

93. BUS. ROUNDTABLE, STATEMENT ON THE PURPOSE OF CORPORATION (2019) [hereinafter BRT STATEMENT], https://opportunity.businessroundtable.org/opportunity-commitment [https://perma.cc/3XGT-ZPF6] (scroll to the bottom of the webpage; select "Download Statement on Purpose of a Corporation").

94. Rauterberg, *supra* note 38, at 913 ("Across the developed world, there is increasing convergence on the shareholder-owned corporation as the primary vehicle for creating wealth.").

education, health, and basic research.[95] The economic value generated by businesses eventually flows to households through labor and capital income, taxes, and more.[96] This is all especially true for large companies, which account for an increasingly large share of the value-added contributions to GDP.[97] As a result, this warrants special interest, specifically in these companies.

Moreover, large, public corporations greatly affect the social sphere,[98] through corporate social activism and for-profit involvement in traditionally public functions. First, by using pronouncements, boycotts, sponsorships, fundraising, and their own policies, these corporations have become involved in generating significant social change.[99] Sometimes, due to pressures from social activists, corporations are effectively forced to become involved in certain issues, and ignoring them becomes impossible.[100] Other times, activists, especially conservative activists, pressure corporations to remain silent on social issues;[101] however, the retreat from certain "left-wing" issues does not necessarily signal a neutral position by companies,[102] but can send a social and political message in and of itself. In other words, public opinion

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95. JAMES MANYIKA ET AL., MCKINSEY GLOB. INST., A NEW LOOK AT HOW CORPORATIONS IMPACT THE ECONOMY AND HOUSEHOLDS 5–8 (2021), https://www.mckinsey.com/~/media/mckinsey/business%20functions/strategy%20and%20corporate%20finance/our%20insights/a%20new%20look%20at%20how%20corporations%20impact%20the%20economy%20and%20households/a-new-look-at-how-corporations-impact-the-economy-and%20households-vf.pdf.

96. *Id.* at 12–27.

97. *Id.* at 6.

98. *See* Tom C.W. Lin, *Incorporating Social Activism*, 98 B.U. L. REV. 1535, 1537 (2018) ("[T]he emerging consequential interplay between [large public corporations] and social activists [is one] of the most pressing issues of our time.").

99. Tom C.W. Lin, *Corporate Social Activism and the New Business of Change*, 68 PRAC. LAW. 7, 7 (2022).

100. Lin, *supra* note 98, at 1546 ("The days of simply ignoring social issues or writing a check are gone for many large businesses. Corporations are now frequently expected to engage in social issues through public statements, sponsorships, partnerships, and policies supporting a position or a cause." (footnotes omitted)). In recent years, corporations have become aware that the largest institutional investors ascribe importance to social issues. *See, e.g.*, Asaf Eckstein, *The Rise of Corporate Guidelines in the United States, 2005-2021: Theory and Evidence*, 98 IND. L.J. 921, 954, 959 (2023).

101. *See, e.g.*, Alexander Hotz, *Inside Robby Starbuck's Campaign to End DEI, One Company at a Time*, WALL ST. J.: VIDEO (Jan. 6, 2025), https://www.wsj.com/video/inside-robby-starbucks-campaign-to-end-dei-one-company-at-a-time/B6EFA738-AD30-4462-9E88-720274FF027B.

102. *See* Taylor Telford, *Robby Starbuck Declared War on DEI. Trump's Win Could Add Momentum.*, WASH. POST (Nov. 15, 2024), https://www.washingtonpost.com/business/2024/11/15/robby-starbuck-corporate-dei.

can shape the positions of large public corporations, which can in turn take actions that themselves influence public opinion.

Second, large public corporations are involved in public functions, traditionally ascribed to governments, that significantly influence social issues. Mega-corporations assume characteristics previously ascribed to countries. For example, BlackRock oversees a portfolio that rivals the currency reserves of several countries.[103] Similarly, Walmart employs approximately 2.1 million individuals,[104] which is nearly the population of Slovenia and exceeds the population of Cyprus.[105] Management decisions made by these corporations can have a more profound effect on the lives of their millions of employees than some government policies.

This phenomenon is especially important on the background of globalization, which hinders the ability of governments to control the social consequences of their policies. For example, when facing minimum-wage legislation, labor laws, and environmental regulations, companies can choose to outsource their activity to developing nations, thereby frustrating the social aims of the aforementioned policies. However, companies and industries, due to activist pressures, have adopted standards and other self-governing mechanisms that promote these very social aims, filling the shoes of the government in some cases.[106] These self-governing mechanisms are not a perfect system—they may function as window-dressers that fail to truly protect stakeholders, create certifications that misinform customers, and facilitate cartels that raise prices and harm consumers.[107] But whether positive or negative, the increased freedom of corporations under globalization only increases their influence on the social sphere, an influence which is especially wielded by the leading companies in the economy.

The decisions of corporations also have significant effects on the political sphere and on laws and regulations, even when ignoring the effects of federal advisory committees[108] and revolving doors to and from the private sector. Corporations spend enormous sums to become extremely prominent players

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103. Lin, *supra* note 98, at 1560 ("BlackRock, the world's largest asset manager, oversees a $6.28 trillion portfolio that rivals the total currency reserves of China and Japan combined.").

104. *How Many People Work at Walmart?*, WALMART, https://corporate.walmart.com/askwalmart/how-many-people-work-at-walmart [https://perma.cc/TL7T-GFBC] ("As of the end of FY2024, Walmart employed approximately 2.1 million associates worldwide, with approximately 1.6 million associates in the U.S.").

105. *Total Population by Country 2026*, WORLD POPULATION REV., https://worldpopulationreview.com/countries [https://perma.cc/6Z85-35ZZ].

106. *See* Aaron K. Chatterji & Barak D. Richman, *Understanding the "Corporate" in Corporate Social Responsibility*, 2 HARV. L. & POL'Y REV. 33, 37–38 (2008).

107. *See id.* at 39–40.

108. For a discussion on federal advisory committees, see *infra* Section III.B.6.

in the political field, attempting to shape government policy in ways favorable to them.[109] Due to characteristics such as their capital concentration, their small number, and their singular focus, corporations have competitive advantages over other constituencies in influencing these policies.[110] In this way, corporations influence the policies that affect us all.

Corporate political activity includes lobbying, executive testimony before legislators and regulators, operating a government relations office, campaign contributions, and contributing to industry and trade political action committees ("PACs").[111] Political contributions are an extremely widespread phenomenon,[112] becoming even more so following the 2010 United States Supreme Court ruling in *Citizens United v. Federal Election Commission*,[113] which removed hindrances from corporate expenditures on political campaigns.[114] Empirical evidence shows that these donations aim to exert influence over legislative policies[115] and that corporate political action in general is effective in influencing policy outcomes[116] and in improving firm performance.[117] Similar to the corporate actions in the economic and social

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109. *See* Jill E. Fisch, *The "Bad Man" Goes to Washington: The Effect of Political Influence on Corporate Duty*, 75 FORDHAM L. REV. 1593, 1594 (2006) ("Numerous examples of corporate conduct appear to justify this concern, as corporate actors—from Standard Oil and the railroads, to today's WorldCom and Enron—seem to personify immoral greed at the expense of moral and ethical values."); Hillman, *supra* note 26, at 468 ("Firms can play an active role in shaping government decisions and policies, and through such 'corporate political strategies,' firm performance can be affected." (citation omitted)).

110. David G. Yosifon, *The Public Choice Problem in Corporate Law: Corporate Social Responsibility After* Citizens United, 89 N.C. L. REV. 1197, 1198–99 (2011).

111. Sean Lux et al., *Mixing Business with Politics: A Meta-Analysis of the Antecedents and Outcomes of Corporate Political Activity*, 37 J. MGMT. 223, 223–24 (2011).

112. For example, the total political contributions from the business sector between 2022 and 2024 exceeded $5 billion. *See Business-Labor-Ideology Split in PAC & Individual Donations to Candidates, Parties, Super PACs and Outside Spending Groups*, OPENSECRETS, https://www.opensecrets.org/elections-overview/business-labor-ideology-split [https://perma.cc/RH3X-FS9J].

113. 558 U.S. 310 (2010).

114. Jonathan Macey & Leo E. Strine, Jr., Citizens United *as Bad Corporate Law*, 2019 WIS. L. REV. 451, 459 ("In *Citizens United*, the majority struck down the provision of McCain-Feingold that prohibited corporations from making expenditures in favor of the election or defeat of political candidates, except through corporate-sponsored PACs.").

115. Eleanor Neff Powell & Justin Grimmer, *Money in Exile: Campaign Contributions and Committee Access*, 78 J. POL. 974, 985–86 (2016).

116. Amy J. Hillman et al., *Corporate Political Activity: A Review and Research Agenda*, 30 J. MGMT. 837, 850 (2004).

117. Lux et al., *supra* note 111, at 231.

spheres, this political influence is more readily available to the largest corporations,[118] especially those in the S&P 500.

These effects of corporations on society as a whole are most substantial when it comes to the leading companies of the economy, which are also standard-setters for smaller firms.[119] This is especially true for the companies of the S&P 500, which account for around 80% of available market value.[120] Therefore, although the implications of revolving doors from the public sector to any corporation can raise concerns, it is particularly worrying in these companies.

The acknowledgment of the far-reaching influence of large corporations, and, accordingly, the increased need to ensure that these corporations act responsibly, has recently reached new heights. Recent years have seen increased demands for corporations to act to promote Environmental, Social, and Governance ("ESG") and compliance goals, including the aforementioned 2019 Business Roundtable statement in which 181 CEOs (mostly of large companies[121]) proclaimed their commitment to ESG,[122] and the possible emergence of more stringent compliance oversight requirements,[123] as seen in the mission-critical court cases of 2019 onwards.[124] This interest in ESG and compliance stems, partially, from an understanding of the power and influence of corporations, and the demand

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118. MICHAEL USEEM, THE INNER CIRCLE: LARGE CORPORATIONS AND THE RISE OF BUSINESS POLITICAL ACTIVITY IN THE U.S. AND U.K. 3–4 (1984).

119. Lisa M. Fairfax, *Board Committee Charters and ESG Accountability*, 12 HARV. BUS. L. REV. 371, 385–86 (2022).

120. Gabe Alpert, *Top 10 S&P 500 Stocks by Index Weight*, INVESTOPEDIA, https://www.investopedia.com/top-10-s-and-p-500-stocks-by-index-weight-4843111 (Aug. 29, 2023) [https://perma.cc/4VZ2-2G7K].

121. Fairfax, *supra* note 119, at 386 ("[T]he signatories of the Business Roundtable Statement were large companies, and thus those characterizing the Business Roundtable Statement as illusory specifically focused on the pool of large companies.").

122. BRT STATEMENT, *supra* note 93.

123. Asaf Eckstein, *The Virtue of Common Ownership in an Era of Corporate Compliance*, 105 IOWA L. REV. 507, 520–34 (2020); Asaf Eckstein & Gideon Parchomovsky, *The Agent's Problem*, 70 DUKE L.J. 1509, 1517–25 (2021).

124. *See, e.g.*, Marchand v. Barnhill, 212 A.3d 805, 820–24 (Del. 2019); *In re* Clovis Oncology, Inc. Derivative Litig., No. 2017-0222, 2019 WL 4850188, at *12–15 (Del. Ch. 2019); Hughes v. Hu, No. 2019-0112, 2020 WL 1987029, at *13–17 (Del. Ch. 2020); Teamsters Loc. 443 Health Servs. & Ins. Plan v. Chou, No. 2019-0816, 2020 WL 5028065, at *16–17 (Del. Ch. 2020); *In re* Boeing Co. Derivative Litig., No. 2019-0907, 2021 WL 4059934, at *12 (Del. Ch. 2021). In these cases, the court held that stricter director oversight measures are required as related to a company's "mission critical" functions, breaking with the traditionally narrow duties delineated in *Caremark*. *In re* Caremark Int'l Inc. Derivative Litig., 698 A.2d 959, 967–70 (Del. Ch. 1996); Stone *ex rel.* AmSouth Bancorporation v. Ritter, 911 A.2d 362, 365 (Del. 2006).

that this power be used appropriately.[125] Even so-called anti-ESG activities, such as the recent spate of conservative activists objecting to progressive moves by corporations, including Robby Starbuck's campaign against DEI (targeting companies such as Walmart and Harley-Davidson)[126] and the backlash against Target's sale of LGBTQ+ merchandise,[127] reflect the importance of corporate stances. If corporations had little effect on society, there would be no need to protest their involvement in ESG issues.

Due to their significant power and influence on society, it is essential to ensure that the leading corporations behave satisfactorily and to curb egregiously self-serving actions.[128] Despite certain pockets of self-regulation, this generally requires a regulatory and legal framework that is effective and uncompromised.[129] Corporations do not operate in a void, and they are affected by both the legal and regulatory framework created by the legislative

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125. For the origins of this viewpoint, see E. Merrick Dodd, Jr., *For Whom Are Corporate Managers Trustees?*, 45 HARV. L. REV. 1145, 1155–57 (1932). This can be seen as the introduction of the debate regarding the purpose of the corporation—a broader purpose to serve societal interests, or alternatively a narrower purpose to maximize shareholder value, a debate that continues to this day around ESG. Dorothy S. Lund & Elizabeth Pollman, *Corporate Purpose* 8–9 (Eur. Corp. Governance Inst., Working Paper No. 711, 2023).

126. Julie Kratz, *Is DEI Over? Robby Starbuck Wants You to Think So*, FORBES, https://www.forbes.com/sites/juliekratz/2024/12/03/is-dei-over-robby-starbuck-wants-you-to-think-so (Dec. 18, 2024); Jeff Green, *Robby Starbuck Vows to Pursue Firms Doing DEI by Any Other Name*, FORTUNE (Mar. 6, 2025), https://fortune.com/2025/03/06/robby-starbuck-dei-diversity-equity-inclusion-american-companies [https://perma.cc/D34A-QUBT].

127. Jordan Valinsky, *Target Is Dialing Back on Pride Merchandise After Right-Wing Backlash*, CNN: BUS. (May 10, 2024), https://edition.cnn.com/2024/05/10/business/target-pride-merchandise-june-2024/index.html [https://perma.cc/DND4-5B66].

128. Donald C. Langevoort & Robert B. Thompson, *"Publicness" in Contemporary Securities Regulation After the JOBS Act*, 101 GEO. L.J. 337, 340 (2013) ("This is the more general meaning of the term 'publicness'—what society demands of powerful institutions, in terms of transparency, accountability, and openness, in order for that power to be legitimate." (footnote omitted)).

129. Lucian A. Bebchuk & Roberto Tallarita, *The Illusory Promise of Stakeholder Governance*, 106 CORNELL L. REV. 91, 94 (2020) ("Those who are deeply concerned about how corporations affect stakeholders, and we count ourselves among them, should support efforts to ensure that capitalism works well for all corporate stakeholders. In our view, the most effective way to do so is by adopting laws, regulations and government policies—such as labor-protecting laws, consumer-protecting regulations, and carbon-reducing taxes—aimed at protecting stakeholder groups. Such 'external' interventions would constrain and incentivize companies to act in ways that would improve the welfare of stakeholders."); Eric Posner, *Milton Friedman Was Wrong*, ATLANTIC (Aug. 22, 2019), https://www.theatlantic.com/ideas/archive/2019/08/milton-friedman-shareholder-wrong/596545 ("The only way to force corporations to act in the public interest is to subject them to legal regulation."); John Armour et al., *Board Compliance*, 104 MINN. L. REV. 1191, 1204 (2020) ("In areas where corporate activities may create negative externalities, regulatory obligations—with civil or criminal penalties—are commonly imposed on firms to ensure that investors' returns are aligned with social welfare.").

and executive branches of government and by market mechanisms, whose effectiveness is also partially dependent on these frameworks.[130] That is, we assume that the legal and regulatory frameworks, and the market mechanisms that they enable, are crucial to ensuring that the leading corporations' overall influence does not harm social welfare. As explained above, the existence of revolving doors is linked to the effectiveness of these frameworks. Therefore, when analyzing the phenomenon of revolving doors, its prevalence and characteristics in leading public corporations should hold great importance.

Surprisingly little attention, if any, has been given to the transition of former government officials into the market's largest public firms. This Article aims to fill the void through a comprehensive empirical analysis of S&P 500 companies, examining the extent and the manner in which former regulators transition to these firms. In the next part, we present our findings regarding the revolving doors across different criteria, including the agencies or departments from which revolvers came, the firms to which they transitioned, and the positions they hold in the private sector. This analysis will serve as a foundation for providing normative recommendations that allow us to take advantage of the benefits of the revolving doors and simultaneously minimize their risks.

## III. Empirical Analysis

### *A. Methodology*

To examine the frequency of transfers between the public and private sectors and identify patterns in revolving-door transitions, we analyzed corporate filings taken from the United States Securities and Exchange Commission ("SEC") Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") database.[131] We hand-collected 500 proxy statements (statements filed by public companies before shareholder meetings, in the form of DEF 14A filings) published in the fiscal year 2024, which provide extensive information regarding the professional history of directors and executive officers in S&P 500 firms in 2023. We examined the background

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130. *See* Steve Globerman, *Friedman and His ESG Critics*, *in* ESG: Myths and Realities 1, 8 (2022); Dan Awrey, *Complexity, Innovation, and the Regulation of Modern Financial Markets*, 2 Harv. Bus. L. Rev. 235, 237 (2012) ("Public regulation . . . [had] a supporting role: namely, the provision of private property rights and efficient contract enforcement necessary to support private risk-taking.").

131. *See EDGAR*, U.S. Sec. & Exch. Comm'n.: Investor.gov, https://www.investor.gov/introduction-investing/investing-basics/glossary/edgar [https://perma.cc/XGU6-QEM7].

of the executive leadership and the board of directors, recording their connections to the public sector, including roles in local, state, and federal government. Furthermore, we noted their membership in advisory committees to regulatory bodies, which collect advice and policy recommendations from leading personnel within the public and private sectors with the aim of informing and improving the operations of executive offices and programs.[132]

Our research focused on the personal background of directors, chairmen, and senior executive officers, including the Chief Executive Officer ("CEO"), Chief Financial Officer, Chief Legal Officer, Chief Compliance Officer, and Chief Operating Officer of each firm. To do so, we manually reviewed and analyzed the details of 6,430 directors and executive officers collected from each firm's proxy filing. Throughout the process, we recorded the professional background of each individual, including information on their specific role in the firm and the date they assumed the position.

For officers who previously worked in the public sector, we recorded their final public sector role and its duration. We noted the transition period between their final public sector role and their entrance into the S&P 500 firm for which they currently work. For each revolver, we categorized their public sector roles according to the appropriate regulatory body, industry, and level of seniority in their previous position. Furthermore, we recorded each individual's membership in federal advisory committees.

When proxy statements contained missing or incomplete information, we examined additional Form 8-K filings (e.g., Item 5.02 filings regarding executive appointments), personnel biographies from the companies' official websites, and the LinkedIn profiles of the respective director or executive officer. To keep our dataset accurate, we documented specific fields as missing data ("NA") if certain information regarding the position could not be found.

The collected data was analyzed to calculate the frequency of public-to-private sector transitions and discern characteristics regarding the revolving door phenomenon. We analyzed the extent and the depth of this phenomenon according to various criteria, including the sectors in which revolvers worked before exiting government, the transition period between the public and private role, the agency from which the revolver transitioned, and the position which the revolver currently holds. Finally, we noted the extent to which

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132. *Federal Advisory Committee Act (FACA) Management Overview*, U.S. GEN. SERVS. ADMIN., https://www.gsa.gov/policy-regulations/policy/federal-advisory-committee-management (Apr. 8, 2026) [https://perma.cc/NJ4V-UN46].

directors and executive officers in the S&P 500 serve, or served, on federal advisory committees. Our findings are presented in the next Section.

## *B. Findings*

### 1. Extent of the Revolving Door

In this Section, we present our findings relating to the extent and depth of the revolving door phenomenon in public firms. We analyze the number of revolvers among directors and executive officers of current S&P 500 firms and illustrate the distribution of revolvers across different categories. In our analysis, we show that the majority of directors and executive officers in the current S&P 500 do not originate from the public sector. However, we also note that the majority of firms in our sample have at least one former government official in their executive leadership.

In addition to its media coverage,[133] the extent of the "exit route" of the revolving door phenomenon has previously piqued the interest of policymakers and scholars. Palmer and Schneer, for example, found that close to half of former senators and governors between 1992 and 2012 served on at least one board after leaving the public sector.[134] Similarly, Shive and Forster show that the number of senior executives with regulatory experience in financial firms has increased by nearly 24% over their fifteen-year sample.[135] Emery and Faccio noted that more than half of the firms in their sample, taken between the years 2000 and 2018, had a senior executive who transitioned from an executive branch agency.[136]

Our analysis of the extent of the revolving doors differs from these studies in several ways. First, we provide a comprehensive and updated dataset of the phenomenon as of the year 2023. Second, we enlarge the aperture and analyze revolvers from all of the agencies and departments within the executive and legislative branches, instead of focusing on one specific agency. Third, we provide a complete analysis of the origins of both directors and executive officers in our sample. Fourth, our analysis focuses uniquely

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133. *See supra* note 20 and accompanying text.

134. Maxwell Palmer & Benjamin Schneer, *Capitol Gains: The Returns to Elected Office from Corporate Board Directorships*, 78 J. POL. 181, 182 (2016).

135. Shive & Forster, *supra* note 51, at 1446.

136. Logan P. Emery & Mara Faccio, *Exposing the Revolving Door in Executive Branch Agencies*, 60 J. FIN. & QUANTITATIVE ANALYSIS 1625, 1625 (2025).

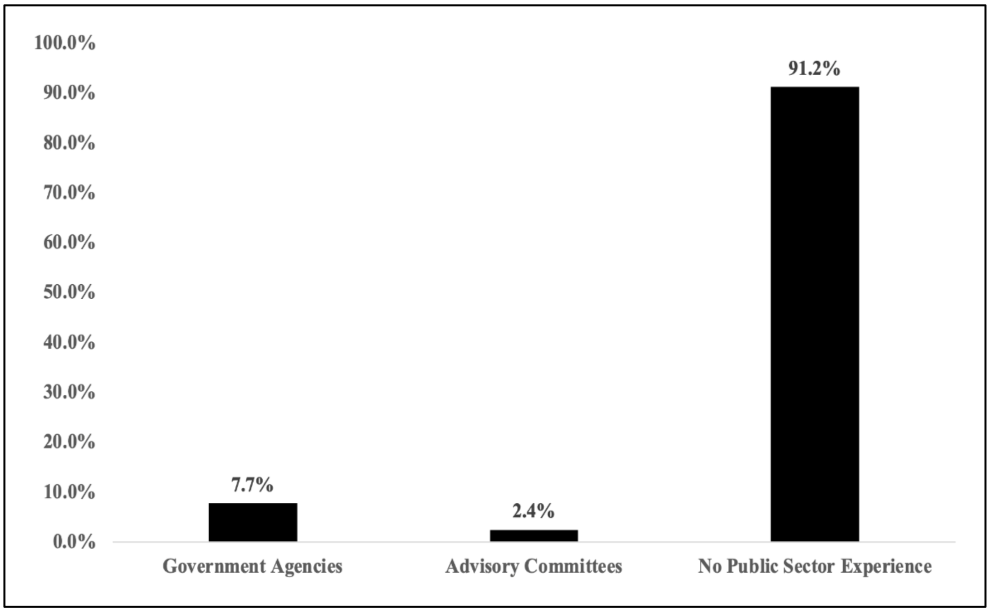
on the market's largest public firms, noting the prevalence of former regulators within their executive leadership.[137]

We note that the number of revolvers, both in general and from specific agencies and sectors, may not be directly correlated with the concern that the phenomenon warrants. Of course, a single revolver can greatly harm the integrity of the regulator, while any number of revolvers that refrain from abusing their previous experience in the public sector will have no bearing on this integrity. However, we believe that the extent of the phenomenon constitutes an indication of its possible risk, and that other criteria presented below, such as the transition periods between the public and private sectors, also aid in the understanding of which areas deserve the greatest public and academic attention.

Figure 1 below examines the distribution of directors and executive officers in the S&P 500 across three categories: those who previously served in government agencies, advisory committee members, and those without public sector experience. The graph shows the percentages of individuals within each category out of the sum total of directors and senior officers within our sample firms. Individuals who served solely on advisory committees were listed under "Advisory Committees," whereas those who were also former regulators were categorized as revolvers from their respective agencies. Individuals who were both classified as revolvers and served in advisory committees were listed twice under each category.

137. For the importance of focusing on the largest public firms in the market, see *supra* Part II.

**Figure 1. Distribution of Revolvers, Overall**




We found that out of 6,430 senior executives, 91.2% did not transition from roles within the public sector. That is to say, the absolute majority of individuals in our sample did not previously work as market regulators. We found that 495 (7.7%) directors and executive officers served as former regulators, and we noted that 2.4% of individuals within our sample served, or currently serve, on advisory committees within their respective field.

Despite the relatively lower number of former revolvers in our sample, we noted that the extent of the phenomenon changes when focusing on the trend firm-wise. In our analysis, we found that 298 out of 500 S&P firms in our sample had at least one revolver on their board or in their executive management. That is to say, the majority of firms utilize individuals with previous regulatory experience in their leadership roles, which may serve to explain the broad focus on the phenomenon. The prevalence of revolver hirings in S&P 500 firms underscores the importance of regulations on direct transitions between the public and private sectors.

We note that the classic revolving doors are not the only way in which private and public sector personnel interchange.[138] For example, scholars,[139]

138. *See supra* notes 34–38 and accompanying text.
139. *See supra* note 34 and accompanying text.

journalists,[140] and policymakers[141] have all raised concerns regarding the transition from the public sector to lobbying firms. Similar doubts have been raised regarding government officials who transition into outside counsel or act as external legal advisors.[142] Former public servants can also hold influence in the private sector through employment in private equity and investment banking, where their role may be less transparent compared to classic revolvers.[143] In the Department of Defense, for example, former officials often transition into lobbyists, senior executives, and board members for prominent defense contractors.[144] As a result, there are other methods of influence available for former public-service officials after leaving their public roles. Nevertheless, our findings serve to put the direct transition of government officials to large public companies into perspective.

### 2. Revolving Doors by Public Agency and Role

This Section analyzes the distribution of revolvers across the different positions that they held in the public sector. The first subsection illustrates the distribution of revolvers according to the agency or department in which they worked in the public sector. The second subsection identifies the proportion of revolvers who held senior positions in their work in the public sector, including data on the level of seniority of revolvers from each agency and department. The results show the variation in the extent and nature of the revolving doors across agencies and across different levels of seniority.

#### *a. Agency of Public Sector*

Scholars often analyze the extent of the revolving doors according to the agencies from which former regulators transition. The literature tends to focus on individual agencies and examine the prevalence of transitions

140. *See supra* note 20 and accompanying text.

141. *See* Ehrlick, *supra* note 34 (discussing attempts to mitigate the revolving doors for lobbyists from Congress).

142. *See, e.g.*, Douglas R. Richmond, *As the Revolving Door Turns: Government Lawyers Entering or Returning to Private Practice and Conflicts of Interest*, 65 ST. LOUIS U. L.J. 325, 329–46 (2021); Justin Henry, *Trump Connections Give Edge to Big Law Firms Seeking Influence*, BLOOMBERG L. (Dec. 4, 2024), https://news.bloomberglaw.com/business-and-practice/trump-connections-give-edge-to-big-law-firms-seeking-influence.

143. Eric Lipton, *New Spin on a Revolving Door: Pentagon Officials Turned Venture Capitalists*, N.Y. TIMES (Dec. 30, 2023), https://www.nytimes.com/2023/12/30/us/politics/pentagon-venture-capitalists.html; *see, e.g.*, *supra* notes 11–14.

144. ELIZABETH WARREN, PENTAGON ALCHEMY: HOW DEFENSE OFFICIALS PASS THROUGH THE REVOLVING DOOR AND PEDDLE BRASS FOR GOLD 2–3 (2023), https://www.warren.senate.gov/imo/media/doc/DoD%20Revolving%20Door%20Report.pdf [https://perma.cc/4BVU-HYUB].

between the regulator and its respective industry. For example, there has been extensive research regarding the extent of the revolving door in agencies like the Federal Communications Commission ("FCC"),[145] the SEC,[146] Congress,[147] the FTC,[148] and the FDA.[149] Our goal is to provide a holistic analysis that compares the prevalence of revolvers across varying agencies and departments within the executive and legislative branches.

As explained above, we started our analysis by mapping the directors and executive officers that currently serve in S&P 500 firms. Afterwards, we examined their professional backgrounds, examining whether they previously served in public sector positions prior to their work in the private sector. In doing so, we were able to provide a broad analysis of all of the agencies and departments of the executive and legislative branches from which revolvers transitioned.

Federal revolving door legislation has largely remained *agency-neutral*: post-employment restrictions often do not differentiate between specific agencies and departments from which former regulators transition.[150] Nevertheless, certain agencies have taken steps to limit direct transitions between them and the regulated industries. The Securities and Exchange Commission, for example, implemented guidelines that serve to reinforce federal post-employment restrictions and anti-capture measures within the agency.[151] Similarly, the Federal Reserve limits direct transitions of senior examiners to related depository institutions.[152]

In this Part, we will examine the extent and nature of the revolving doors across agencies and departments within the public sector, and we will note

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145. *See, e.g.*, Gormley, *supra* note 51, at 669–79; Jeffrey E. Cohen, *The Dynamics of the "Revolving Door" on the FCC*, 30 AM. J. POL. SCI. 689, 705 (1986).

146. *See, e.g.*, Cox & Thomas, *supra* note 49, at 870–82; deHaan et al., *supra* note 51, at 91–92; Wutzler, *supra* note 51, at 144–59; Stephen J. Choi et al., *Should I Stay or Should I Go? The Gender Gap for Securities and Exchange Commission Attorneys*, 62 J.L. ECON. 427, 428 (2019) (discussing the gender gap between SEC attorneys when leaving for the private sector).

147. *See, e.g.*, Palmer & Schneer, *supra* note 134, at 182–84; Shepherd & You, *supra* note 51, at 276, 279; Hillman, *supra* note 26, at 478.

148. *See, e.g.*, Stephen Calkins & Erica Straus, *Two Cheers for the Revolving Door*, in HARRY FIRST LIBER AMICORUM: A GLOBAL VISION FOR COMPETITION LAW 277–78 (Darren Bush et al., eds., 2025).

149. *See, e.g.*, Laura Karas, *FDA's Revolving Door: Reckoning and Reform*, 34 STAN. L. & POL'Y REV. 1, 27 (2023) (analyzing the transition of former FDA regulators to the pharmaceutical industry); David C. Vladeck, *The FDA and Deference Lost: A Self-Inflicted Wound or the Product of a Wounded Agency? A Response to Professor O'Reilly*, 93 CORNELL L. REV. 981, 982 (2008) (discussing a critique of the revolving doors through the FDA).

150. *See* 18 U.S.C. §§ 207–08.

151. 17 C.F.R. § 200.735-4 (2024).

152. 12 U.S.C. § 1820(k).

trends in the phenomenon that may not have been previously apparent. Our analysis will serve to find variations between different agencies and note the regulators that most often transfer to the private sector through the revolving doors.

Figure 2 below highlights the distribution of revolvers that transitioned from agencies within the public sector. The table shows the number and percentage of revolvers from each agency out of the sum total of revolvers within our sample, excluding advisory committee members. Revolvers are classified under the agency in which they served their *final* public role prior to transitioning to their current private sector position.

Executive branch departments and independent agencies are listed by their full names (e.g., "Department of Health"), and revolvers from state and local governmental positions are listed under "State Government." Those who transitioned from positions in military branches, including the Army, Navy, Marine Corps, Air Force, Coast Guard, and Space Force, are listed under "Military." Revolvers who served as regulators in foreign jurisdictions are categorized under "Foreign Governments." Individuals who served in executive positions, including the Executive Office of the President, are classified under "Executive Positions." Finally, those who served in departments that are not explicitly listed in Figures 6 and 7 are classified as "Others."

**Figure 2. Distribution of Revolvers, Public Agencies**

| **Agency** | **Number of Revolvers** | **Percentage of Revolvers** |
|---|---|---|
| Military | 83 | **16.8%** |
| Federal Reserve | 65 | **13.1%** |
| Executive Positions | 40 | **8.1%** |
| State Politicians | 32 | **6.5%** |
| Department of Defense | 30 | **6.1%** |
| Foreign Governments | 30 | **6.1%** |
| Other | 22 | **4.4%** |
| Department of the Treasury | 21 | **4.2%** |
| Department of Justice | 17 | **3.4%** |
| Department of Energy | 15 | **3.0%** |
| Congress | 14 | **2.8%** |
| Securities and Exchange Commission | 13 | **2.6%** |
| Ambassadors | 12 | **2.4%** |
| Department of Commerce | 12 | **2.4%** |
| Department of Health | 10 | **2.0%** |

| | | |
|---|---|---|
| Department of State | 9 | **1.8%** |
| U.S. Trade Representative | 8 | **1.6%** |
| Department of Homeland Security | 7 | **1.4%** |
| Department of Transportation | 7 | **1.4%** |
| Federal Communications Commission | 6 | **1.2%** |
| Financial Industry Regulatory Authority | 5 | **1.0%** |
| Congressional Staff | 4 | **0.8%** |
| Department of Labor | 4 | **0.8%** |
| Department of the Interior | 4 | **0.8%** |
| Food & Drug Administration | 4 | **0.8%** |
| National Aeronautics and Space Administration | 4 | **0.8%** |
| Department of Agriculture | 2 | **0.4%** |
| Department of Education | 2 | **0.4%** |
| Department of Housing and Urban Development | 2 | **0.4%** |
| Department of Veterans Affairs | 2 | **0.4%** |
| Federal Deposit Insurance Corporation | 2 | **0.4%** |
| Federal Trade Commission | 2 | **0.4%** |
| Commodity Futures Trading Commission | 1 | **0.2%** |
| Environmental Protection Agency | 1 | **0.2%** |
| Federal Aviation Administration | 1 | **0.2%** |
| Federal Emergency Management Agency | 1 | **0.2%** |
| Small Business Administration | 1 | **0.2%** |

In our analysis, we found that the agency from which the largest percentage of revolvers originated is the Military, from which 16.8% of former regulators in our sample transitioned into S&P 500 companies. Following the Military, we noted that 13.1% of revolvers transitioned from the Federal Reserve, 8.1% from positions within the Executive Office, 6.5% from local and state government positions, and 6.1% from both the Department of Defense and from foreign governments. Other executive departments, including the Department of the Treasury (4.2%), the Department of Justice (3.4%), and the Department of Energy (3.0%) also saw higher numbers of revolvers within our sample. Independent executive agencies generally saw lower representation, with the exception of the

Securities and Exchange Commission, from which thirteen revolvers, or 2.6% of our sample, transitioned.

More importantly, the table shows that the extent of the revolving doors varies based on the agency or department from which former public officials transitioned. Some agencies and departments, like the Military and the Federal Reserve, saw significantly higher numbers of revolvers than others, like the FTC and the FAA. The discrepancies in the number and percentage of revolvers exiting each respective agency and department highlight the concern in categorizing all revolvers as a single, identical entity.

Our findings present interesting comparisons to current views of the revolving door from different agencies. The Federal Reserve, which generally receives less focus from academics than financial regulators like the SEC, saw particularly high representation from revolvers in our sample, especially from positions as Federal Reserve Bank board directors (including state branches). The congressional revolving doors, widely discussed in the literature and in the media, constituted less than three percent of our sample. Similarly, agencies like the FDA and FAA, which have recently seen media coverage regarding the transition of former employees into the regulated industry,[153] were represented by very few revolvers in the current S&P 500 leadership. Our findings regarding the Military and the Department of Defense are concurrent with recent news coverage of the "defense" revolving door,[154] especially in that nearly a quarter of revolvers came from defense-related agencies. Similarly, the Treasury, which has been criticized for

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153. For discussions of the revolving door at the FAA, see Patrick Malone, *How the Revolving Door at FAA Spins Boeing's Way*, SEATTLE TIMES (Oct. 30, 2024), https://www.seattletimes.com/business/boeing-aerospace/how-the-revolving-door-at-faa-spins-boeings-way; Dylan Gyauch-Lewis, *The FAA and Flights of Financial Folly*, REVOLVING DOOR PROJECT (Apr. 17, 2024), https://therevolvingdoorproject.org/the-faa-and-flights-of-financial-folly/ [https://perma.cc/93AB-3M3W]. For discussions of the revolving door at the Food and Drug Administration, see Michael Carome, *Outrage of the Month: Revolving Door to FDA Commissioner's Office Sows Distrust in Agency*, PUB. CITIZEN (Oct. 2019), https://www.citizen.org/article/outrage-of-the-month-revolving-door-to-fda-commissioners-office-sows-distrust-in-agency [https://perma.cc/Z4W6-U8Q5]; Zachary Brennan, *FDA and Industry: How Dangerous Is the Revolving Door*?, REGUL. AFFS. PROS. SOC'Y: REGUL. FOCUS (Nov. 16, 2016), https://www.raps.org/News-and-Articles/News-Articles/2016/11/FDA-and-Industry-How-Dangerous-is-the-Revolving-D [https://perma.cc/G38K-VEZF].

154. *See, e.g.*, William Hartung, *New Revelations Underscore Need to Curb Defense Revolving Door*, FORBES (May 3, 2023), https://www.forbes.com/sites/williamhartung/2023/05/03/new-revelations-underscore-need-to-curb-defense-revolving-door/; William Tunney, *Regulating the Defense Industry's Revolving Door*, REGUL. REV. (Jan. 20, 2022), https://www.theregreview.org/2022/01/20/tunney-regulating-defense-industry-revolving-door [https://perma.cc/GU9L-GSKS]; Andrew Verstein, *The Corporate Governance of National Security*, 95 WASH. U. L. REV. 775, 891–92 (2018) (discussing the frequency of hiring former government officials in defense and intelligence contractors).

transitions of former employees to regulated firms,[155] saw a not-so-insignificant number of former employees who transitioned into leading public firms.

Beyond our data, the revolving door literature shows that the normative desirability of the phenomenon can also change depending on the respective agency or department. For example, Randall and Thomas contend that the revolving doors relating to SEC division heads may expose regulators to cultural biases, a negative phenomenon.[156] Similarly, Tabakovic and Wollmann found that the transition of former officials from the U.S. Patent and Trademark Office to regulated firms is consistent with theories of regulatory capture.[157] Conversely, other studies regarding agencies like Congress[158] and the FCC[159] suggest that their findings are consistent with theories of human capital, which highlight the possible benefits of the revolving doors. That is to say, the literature has not prescribed one singular theory to the revolving doors across different agencies and departments.

The variation in normative conclusions can also occur within specific agencies. Regarding the SEC, for example, there are additional studies that find evidence more consistent with theories of human capital,[160] despite aforementioned studies highlighting concerns of capture in the agency. Some

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155. Jesse Drucker, *The Treasury Is Asked to Investigate Its Hiring of Lawyers from Big Accounting Firms*, N.Y. TIMES (Feb. 22, 2022), https://www.nytimes.com/2022/02/22/us/politics/treasury-elizabeth-warren-accounting-firms.html; Jesse Drucker & Danny Hakim, *How Accounting Giants Craft Favorable Tax Rules From Inside Government*, N.Y. TIMES (Sept. 19, 2021), https://www.nytimes.com/2021/09/19/business/accounting-firms-tax-loopholes-government.html.

156. Cox & Thomas, *supra* note 49, at 899 ("We believe we are correct in being concerned about the potential for agenda control by division directors and the SEC's general counsel, and the existence of a cultural bias that arises out of these individuals' exposure to corporate clients. These top managers frequently determine what issues are considered and what issues are not, raising the likelihood that they may be subject to a cultural bias regarding the appropriate directions to be taken by the SEC.").

157. Haris Tabakovic & Thomas G. Wollmann, *From Revolving Doors to Regulatory Capture? Evidence from Patent Examiners* 23 (Nat'l Bureau of Econ. Rsch., Working Paper No. 24638, 2018) ("Our analysis indicated regulatory capture. We exploited variation in which firm hired the examiner, which location the examiner was hired, which location the examiner was educated, and macroeconomic performance, and we measured differences in patent grant rates, scope, and quality—all pointed the same direction.").

158. Palmer & Schneer, *supra* note 134, at 194–95 ("Rather, patterns of board service among former senators appear most consistent with being a product of development of human and social capital while in the Senate—for example, sector-specific knowledge or connections through committees that influence business in the finance and military sectors.").

159. Cohen, *supra* note 145, at 705 ("The findings presented here do not bode well for the revolving door version of interest group capture theory.").

160. *See, e.g.*, deHaan et al., *supra* note 51, at 65 ("Our overall evidence is consistent with the 'human capital' hypothesis.").

even find evidence consistent with "regulatory capture" and "human capital" theories.[161] As a result, the normative desirability of the phenomenon can change with respect to the respective agency or department, including the position that they hold within said agency or department.

*b. Level of Seniority*

In our study, we also analyzed the level of seniority of each revolver in the respective position they held in the public sector. Policymakers and scholars are generally concerned with senior officials within the regulating body, as they have greater influence on decision-making in the public sector. As a result, current revolving door legislation differentiates between non-senior, senior, and "very" senior personnel within the executive and legislative branches.[162]

For the sake of our analysis, we categorized senior personnel as individuals who are likely to have had a direct effect on the regulation of the regulated industry. For federal departments, we listed individuals who served in the top three levels of the department as "senior"—for example, the head of the agency or department, their deputies, and the undersecretaries. Those who did not serve in the upper echelons of the department were listed as "not senior" for the sake of our analysis. For state and local officials, we listed only the department heads as "senior." Those who served as deputy heads and below in the state and local levels were listed as "not senior" in our analysis.

We found that the majority of revolvers in our sample, excluding advisory committee members, were senior personnel in their roles in the public sector: 60% of revolvers served in positions in the upper echelons of the regulator for which they worked prior to their transition. This number does not include senior officials who did not meet our aforementioned criteria but did, in effect, substantially influence their agency's regulation,[163] further

161. *See id.* ("Our overall evidence is consistent with the 'human capital' hypothesis. However, we find some evidence of 'rent seeking' when SEC lawyers are based in Washington DC and when defense firms employ more former SEC lawyers."); Wutzler, *supra* note 51, at 165 ("I provide initial evidence in line with the idea that the revolving door may be harmful for certain revolver groups when revolvers act 'behind the scenes.' However, for less direct and potentially weaker links to the SEC (i.e., advisory committee members), a reduction in future SEC enforcement is accompanied by lower discretionary accruals, meaning higher accounting quality. When treating the group of revolvers as a joint homogeneous group, the latter effect prevails so that the evidence would wrongly suggest an overall beneficial effect of the RD.").

162. 18 U.S.C. § 207.

163. For example, those who served as heads of intra-agency departments but were not listed in the top echelons of the respective agency were listed as "not senior." We note that these individuals may still have had direct effects on their agency's respective regulation.

strengthening the notion that a large percentage of revolvers in leading public firms play important roles in their former public sector roles.

Interestingly, some agencies and departments saw higher percentages of former senior personnel within our sample than others. Figure 3 below maps out the distribution of revolvers who acted as senior personnel within the agencies or departments from which they transitioned. The table highlights the number of revolvers from each respective agency, the number of revolvers we classified as "senior" personnel according to our aforementioned criteria, and the percentage of senior revolvers out of each agency's total number of revolvers.

**Figure 3. Distribution of Revolvers, Senior Personnel by Agency**

| **Agency** | **Number of Revolvers** | **Number of Senior Revolvers** | **Percentage of Senior Revolvers** |
|---|---|---|---|
| Military | 83 | 0 | **0%** |
| Federal Reserve | 65 | 18 | **28%** |
| Executive Positions | 40 | 17 | **43%** |
| State Politicians | 32 | 15 | **47%** |
| Department of Defense | 30 | 19 | **63%** |
| Foreign Governments | 30 | 1 | **3%** |
| Other | 22 | 2 | **9%** |
| Department of the Treasury | 21 | 18 | **86%** |
| Department of Justice | 17 | 10 | **59%** |
| Department of Energy | 15 | 14 | **93%** |
| Congress | 14 | 14 | **100%** |
| Securities and Exchange Commission | 13 | 9 | **69%** |
| Ambassadors | 12 | 0 | **0%** |
| Department of Commerce | 12 | 9 | **75%** |
| Department of Health | 10 | 5 | **50%** |
| Department of State | 9 | 4 | **44%** |
| U.S. Trade Representative | 8 | 6 | **75%** |
| Department of Homeland Security | 7 | 5 | **71%** |
| Department of Transportation | 7 | 5 | **71%** |

| | | | |
|---|---|---|---|
| Federal Communications Commission | 6 | 3 | **50%** |
| Financial Industry Regulatory Authority | 5 | 2 | **40%** |
| Food and Drug Administration | 4 | 3 | **75%** |
| Congressional Staff | 4 | 1 | **25%** |
| Department of the Interior | 4 | 2 | **50%** |
| Department of Labor | 4 | 3 | **75%** |
| National Aeronautics and Space Administration | 4 | 0 | **0%** |
| Federal Deposit Insurance Corporation | 2 | 2 | **100%** |
| Federal Trade Commission | 2 | 1 | **50%** |
| Department of Agriculture | 2 | 2 | **100%** |
| Department of Education | 2 | 0 | **0%** |
| Department of Housing and Urban Development | 2 | 1 | **50%** |
| Department of Veterans Affairs | 2 | 2 | **100%** |
| Environmental Protection Agency | 1 | 1 | **100%** |
| Federal Aviation Administration | 1 | 1 | **100%** |
| Commodity Futures Trading Commission | 1 | 1 | **100%** |
| Federal Emergency Management Agency | 1 | 1 | **100%** |
| Small Business Administration | 1 | 1 | **100%** |

In our analysis, we found that all of the revolvers who transitioned from agencies like Congress, the Federal Deposit Insurance Corporation ("FDIC"), the EPA, and the FAA were "senior" personnel according to our criteria. Similarly, federal executive departments saw higher numbers of revolvers who acted as senior personnel in the public sector: 93% of the revolvers from the Department of Energy played senior roles in their public service, alongside 86% from the Department of the Treasury, 75% from the Department of Commerce, 71% from the Department of Transportation, 63% from the Department of Defense, 59% from the Department of Justice, and 50% from the Department of Health. There may be a multitude of reasons that could lead a certain department to have a higher number of senior revolvers. For example, a senior role in a very well-regarded agency could help them land a job at a large public company. However, it may also be that a certain agency has a large number of senior roles, according to our criteria, or perhaps that there are very few revolvers exiting that agency in general, giving significant weight to one senior official. Whatever the reasons for the discrepancies, however, it is clear that the proportion of senior revolvers varies greatly between different agencies and departments.

Our findings in this Section show variations in the public sector roles that revolvers in our sample held before transitioning to leading public firms. Some public agencies, like the Federal Reserve and the Military, see higher proportions of former employees transitioning to large public firms than other regulators. Similarly, some agencies are the focus of more extensive media and scholarly coverage with respect to the revolving doors, despite relatively lower numbers of former employees who transition into the market's biggest companies. Finally, we note that directors and executive officers who transitioned from the public sector often held senior roles within their respective agency or department; however, the percentage of revolvers who held senior roles in their former employment varies based on the agency or department from which they transitioned.

#### 3. Revolving Doors by Sector

We conducted a comprehensive analysis of all 495 revolvers in our sample, examining the field that they regulated when serving in the public sector, the field that they entered in the private sector, and the parallels between the two. On the public side, we categorized all agencies into sectors, such as Defense, Financials, Politics, Energy, Legal, and Aerospace, in accordance with the field that which the agency regulates. For example, the Federal Reserve was categorized in the "Financials" sector, and Congress was categorized in the "Politics" sector. Similarly, we categorized the companies of the S&P 500 into sectors in which they operate, generally according to the Global Industry Classification Standard ("GICS"), with some minor adaptations for the sake of our analysis. Pfizer, for example, was categorized as "Health Care," while Boeing was classified into the "Aerospace" sector.

In this way, our empirical study provides an overarching view of the revolving door phenomenon. This stands in contrast with much of the current research on the "exit" route, which tends to focus on the transition of former regulators within a singular sector. Shive and Forster, for example, focus on revolvers that exit the financial regulators,[164] and Houston and Ferris consider the effects of those transferring from politics to executive roles in corporations.[165] We take a more holistic outlook of all of the revolvers in the S&P 500 in its entirety.

Much of the concern regarding the revolving doors appears to stem from the dangers that arise from revolving within the same sector. A revolver who served as a public servant in the energy sector, for example, would likely have more influence on energy regulation *ex ante*, and have the relevant connections to affect said regulation *ex post*, than a revolver who served in the health care sector. There are also benefits, however, to public-to-private transitions within the same sector: regulators who transition to firms in the same industry have the relevant expertise and understanding of that industry's regulatory requirements, which can benefit the firms to which they arrive.

Therefore, we sought to examine the sectors of both the public agencies and the private firms with which the revolvers were involved. The first subsection analyzes the distribution of revolvers across the different sectors with which their former government roles are affiliated. We examined our empirical findings and compared the volume of revolvers exiting each sector to the amount of attention which that sector has garnered in the current revolving door literature. The second subsection discusses same-sector transitions, recognizing the sectors in which revolvers tended to serve both in the regulating agency and, later, in one of the regulated firms. The results show that the extent of the revolving doors varies by the sector from which revolvers transitioned, and that some sectors may warrant more focus from policymakers and scholars than others.

#### *a. Revolving Doors by Public Sector*

As explained above, much of the literature regarding the "exit" route of the revolving doors is sector-specific, with an increased focus on industries

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164. Shive & Forster, *supra* note 51, at 1447 (showing that "the number of ex-regulators per sample financial firm increases 24% from the beginning to the end of the sample").

165. Houston & Ferris, *supra* note 51, at 1003–04 ("[F]irms which hire former politicians as directors or executives have significantly positive long-term abnormal returns over the following three years."); *see also* Hillman, *supra* note 26, at 470–74 (comparing the number of politicians on the board and the overall performance of corporations in heavily regulated industries to those of less regulated industries).

such as the financial[166] and political sectors.[167] This increased attention may be due to heightened concerns regarding regulatory capture in those sectors or due to a larger number of revolvers coming from those sectors. Our goal is to analyze a variety of sectors and the extent to which the revolving doors are prevalent within each, along with comparing our findings to the current discourse surrounding each sector.

In our empirical study, the government roles in which the revolvers served were categorized according to the government agency with which they were associated as seen above, and also the general field in which they operated. In some cases, this categorization pertained to the field in which the agency itself operates, such as the Department of Justice operating in the legal field and the Federal Communications Commission operating in the field of communications. That is, in many cases, the sectors are an aggregation of all of the revolvers that came from a number of agencies in the same field, creating a clear parallel in our study between the agency and the sector of the revolver. For example, the "Defense" sector is composed of the Department of Defense, the Military, and the Department of Homeland Security, along with a number of revolvers that came from other executive roles handling defense, such as presidential assistants for homeland security and counterterrorism. On the other hand, some government agencies presented above do not operate in clear and defined fields, and the roles therein are separated between a number of sectors. The clearest example of this is the agency we defined as "State Government." This category includes governors, which we categorized in the "Politics" sector, but also a variety of bureaucrats operating at the state level, like in environmental protection (categorized in the "Energy" sector), in insurance (categorized as "Financials") and in health (categorized in the "Health Care" sector).

Figure 4 reflects the distribution of sectors of the public roles from which the revolvers transition. The graph shows the percentage of individuals categorized under each sector out of the sum total of revolvers in our study. Those whose positions are affiliated with multiple sectors were categorized

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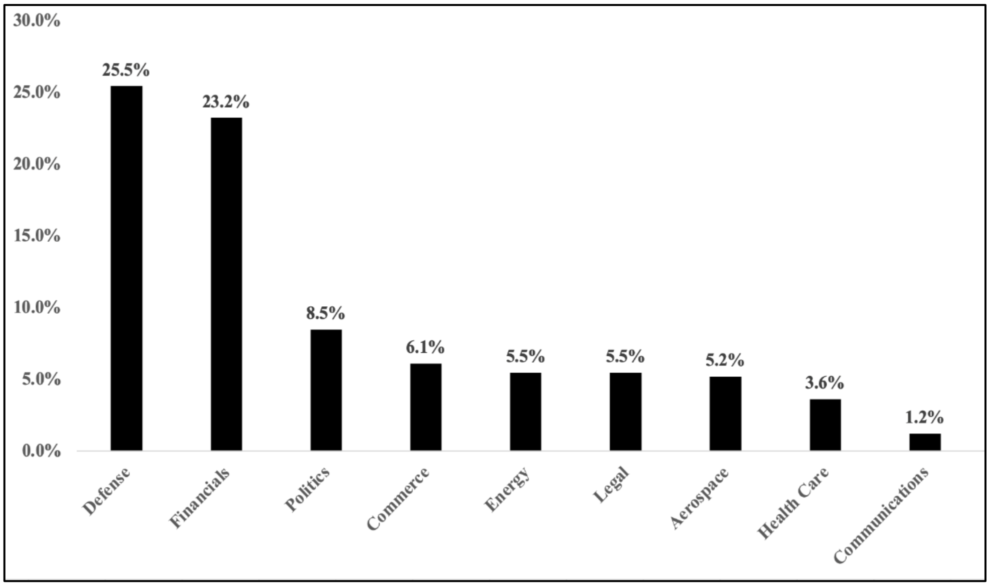
166. *See, e.g.*, Simon Weschle, *Campaign Finance Legislation and the Supply-Side of the Revolving Door*, 9 POL. SCI. RSCH. & METHODS 365, at 371–76 (2021) (investigating the effects of holding political office on corporate board service); *see also* sources cited *supra* note 51.

167. *See, e.g.*, Palmer & Schneer, *supra* note 134, at 187–91; Houston & Ferris, *supra* note 51, at 1002 (researching "whether there is value to firms from political connections provided by the appointment of former politicians to corporate boards or management teams"); Hillman, *supra* note 26, at 477–78 (finding "mixed support for the prediction that politicians on the board of directors are associated with better performance"); Shepherd & You, *supra* note 51, at 271 ("[E]mploying a future revolving-door staffer is positively associated with bill sponsorship in the issue areas of health, the environment, and domestic commerce.").

accordingly (e.g., a revolver from the Air Force would be categorized as both Defense and Aerospace). Furthermore, revolvers who hold positions in multiple firms in the S&P 500 are counted multiple times.

**Figure 4. Distribution of Revolvers, Sector of Public Role**




We found that out of 495 revolvers in our sample, excluding advisory committee members, 25.5% came from the "Defense" sector, 23.2% came from the "Financials" sector, and 8.5% came from the "Politics" sector. In comparison, 3.6% of the revolvers came from the "Health Care" sector, and 1.2% came from the "Communications" sector. Assuming that an increased volume of revolvers transferring to leading companies in a certain field warrants more attention, our results generally support the current academic and media focus on certain sectors.

Our empirical results reflect that there is a higher volume of revolvers leaving the sectors of "Defense," "Financials," and "Politics."[168] This is concurrent with the focus in the revolving door literature on these sectors,[169]

168. In their empirical study, Palmer and Schneer also found that experience with financial and military matters in the public sector may increase the chances of receiving a directorship in the private sector. *See* Palmer & Schneer, *supra* note 134, at 191–94.

169. For literature on the financial and political sectors, see *supra* notes 166–167*;* Conor Bigley, *Remedying Conflicts of Interest Issues in Public Health Bodies*, 36 GEO. J. LEGAL ETHICS 575, 575–76 (2023) ("Scholarship on the revolving door is extensive, but many authors have written about the phenomenon in general terms or have focused on its effects on financial

and it supports the contention that the revolving doors are most prominent in highly regulated industries such as the "Financials" sector.[170] We did find that sectors which sourced a lower number of revolvers, such as "Communications" and "Health Care," are slightly less central to the main discussion regarding the revolving doors, though they have inspired some literature.[171] Nevertheless, our findings show that the extent of the revolving door phenomenon varies by the sector with which the public role is associated.

The revolving door literature, in addition to our findings, also highlights the variation with respect to normative desirability depending on the respective sector in which revolvers worked. For example, Shive and Forster found that their findings regarding the revolving doors in the financial sector coincide with "schooling" hypotheses.[172] Similarly, Lucca, Seru, and Trebbi found that the transition of former banking regulators aligned with theories of "regulatory schooling" and not "quid-pro-quo" capture hypotheses.[173] Conversely, Kalmenovitz, Vij, and Xiao find evidence of regulatory capture in their study of financial regulators and agencies that distribute government funds.[174] In addition, Karas discusses the capture effect of the revolving doors

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regulation."). For literature on the defense sector, see, for example, Luechinger & Moser, *supra* note 51, at 96–106 (analyzing stock market reactions to revolving door appointments relating to the Department of Defense, both in the exit and entrance route); Thomas K. Duncan & Christopher J. Coyne, *The Revolving Door and the Entrenchment of the Permanent War Economy* 12–23 (Geo. Mason Univ., Working Paper in Economics, No. 15–20, 2015); Ryan Summers, *The Pentagon's Revolving Door Keeps Spinning: 2021 in Review*, PROJECT ON GOV'T OVERSIGHT (Jan. 20, 2022), https://www.pogo.org/analysis/the-pentagons-revolving-door-keeps-spinning-2021-in-review.

170. *See, e.g.*, Simon Luechinger & Christoph Moser, *The Revolving Door Phenomenon*, *in* THE POLITICAL ECONOMY OF LOBBYING: CHANNELS OF INFLUENCE AND THEIR REGULATION 167, 169 (Karsten Mause & Andreas Polk eds., 2023) ("In what industries are former public sector employees particularly prevalent? The revolving door is more common in strongly regulated industries like utilities and the financial sector.").

171. For health care, see, for example, Karas, *supra* note 149, at 38–50 (analyzing the revolving doors between the FDA and the pharmaceutical industry); Bigley, *supra* note 169, at 586–94; Genevieve P. Kanter & Daniel Carpenter, *The Revolving Door in Health Care Regulation*, 42 HEALTH AFFS. 1298, 1300–02 (2023); Karen Hobert Flynn, *For Big Pharma, The Revolving Door Keeps Spinning*, HILL (July 11, 2019), https://thehill.com/blogs/congress-blog/politics/452654-for-big-pharma-the-revolving-door-keeps-spinning. For communications, see, for example, Gormley, *supra* note 51, at 681 (analyzing the entrance route of the revolving doors); Cohen, *supra* note 145, at 693–98 (analyzing static and dynamics transitions between the FCC and the firms that it regulates).

172. *See* Shive & Forster, *supra* note 51, at 1447–48.

173. *See* Lucca et al., *supra* note 51, at 29–31.

174. Joseph Kalmenovitz et al., Closing the Revolving Door 1–2 (Mar. 18, 2025) (unpublished manuscript).

in the biopharmaceutical industry.[175] Current studies find different results regarding the phenomenon's normative desirability with respect to this criteria. As a result, we see that both the extent and the normative desirability of the revolving doors can differ based on the sector in which the revolver worked.

*b. Same-Sector Transitions*

The volume of revolvers emerging from each sector can reflect, to some extent, the concern which that sector warrants. This is even more true for same-sector transitions, like the transition from the Federal Reserve to Bank of America or from the Department of Energy to ExxonMobil. As explained above, the theories regarding the revolving doors, along with many of the empirical studies in the field, focus uniquely on these same-sector transitions. Indeed, although a revolver from one sector to another may still have some measure of personal connections and effect on the regulator in their new field, the concerns of regulatory capture are significantly reduced. Accordingly, however, the benefits of experienced human capital and market expansion are also decreased when the role in the private sector pertains to an unrelated field.

To calculate the prevalence of same-sector revolvers, we categorized the sectors of both the private firms and the public agencies from which they transitioned. The categorization of the public sector role was executed according to the field in which the agency operated. On the private side, the S&P 500 firms were categorized according to the Global Industry Classification Standard ("GICS"), an industry taxonomy for assigning companies to specific economic sectors.[176] For the sake of our analysis, the "Consumer Discretionary" and "Consumer Staples" sectors were combined into the "Commerce" category, and the "Energy" and "Utility" sectors were combined into "Energy." Furthermore, firms regulated by multiple agencies were categorized into multiple sectors. Using these categorizations, we examined the number of revolvers that moved from a public role in one sector to a firm operating in the same sector.

Interestingly, despite the implicit focus on same-sector revolvers, our empirical results show that only 128 out of 495 revolvers in our sample, or 25.9%, actually remained in the same sector following their transition. When taking into account the relatively low percentage of revolvers overall (only

175. Karas, *supra* note 149, at 27–37.

176. For an explanation of the GICS, see, for example, Adam Hayes, *Understanding the Global Industry Classification: A Guide for Investors*, INVESTOPEDIA (Feb. 3, 2026), https://www.investopedia.com/terms/g/gics.asp.

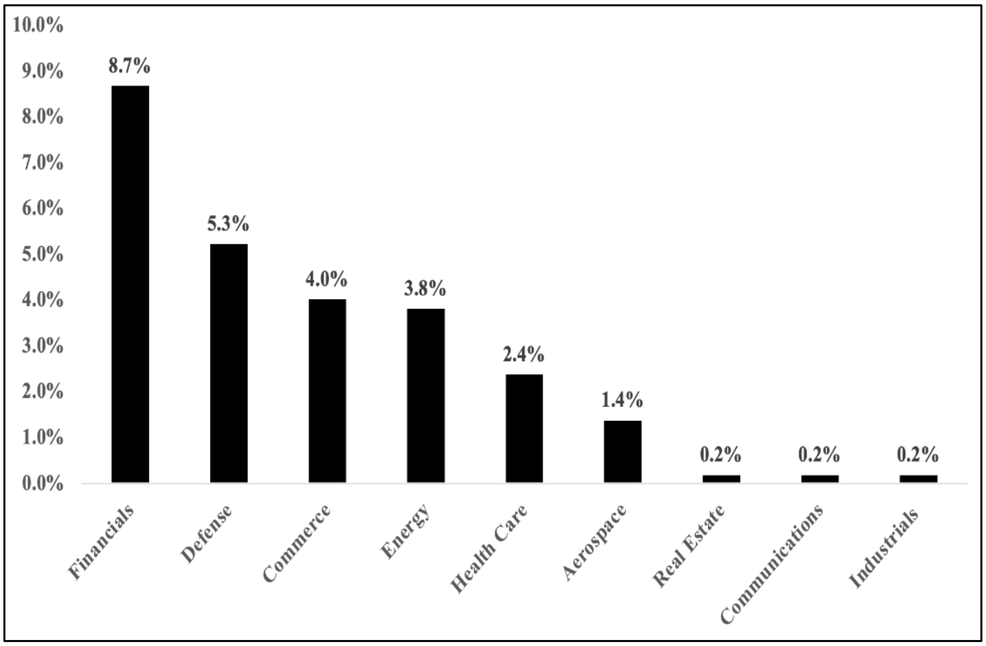
7.7% of the S&P 500 leadership today), this figure raises doubts regarding the focus that the revolving door phenomenon receives today.

Nevertheless, it is important to consider that some of the revolvers, arguably some of the most important ones, will not revolve between the same sectors almost by definition. Those who fulfill public roles in the "Politics" and "Legal" sectors, which amount to 8.5% and 5.5% of revolvers in our sample respectively, will not be considered same-sector revolvers in our study, as none of the S&P 500 firms are categorized in the political or legal fields. However, those who we defined as in the "Politics" sector, such as congresspeople and governors, have significant effects on regulation in a wide variety of fields. Similarly, revolvers from the "Legal" sector, such as U.S. attorneys general, have wide discretion when regulating various industries.[177] That is, it is likely that revolvers from these sectors will have similar characteristics as same-sector revolvers. In addition, revolvers from the Securities and Exchange Commission, listed under the "Financials" sector, were excluded from the same-sector analysis, as the agency directly supervises all of the firms in our sample. Therefore, the low number of same-sector revolvers, despite mitigating some concerns regarding the volume of possible capture, does not alleviate it altogether.

Figure 5 below shows the distribution of same-sector revolvers according to the field in which those revolvers transitioned. The graph shows the percentage of individuals who transitioned within each sector out of the sum total of revolvers.

177. Zaring, *supra* note 26, at 530–31.

**Figure 5. Distribution of Same-Sector Revolvers**




In our analysis, we found that 128 individuals transitioned to firms within the same sector that they regulated. We found that out of the 495 revolvers within our sample, 8.7% transitioned within the "Financials" sector. Similarly, 5.3% transitioned within the "Defense" sector, 4.0% in the "Commerce" sector, and 3.8% within the "Energy" sector. That is to say, the absolute majority of same-sector revolvers within our sample transitioned within one of these four sectors. Sectors like "Health Care" and "Aerospace" saw 2.4% and 1.4% of same-sector revolvers respectively, whereas the "Real Estate," "Communications," and "Industrials" sectors saw very few same-sector transitions within our sample. Interestingly, despite prevalent concerns over the transition of former government officials to firms that they regulated in their public role, the transition of revolvers within the same sector does not seem particularly common.

Generally, we see that the two public sectors with the highest proportion of revolvers, "Defense" and "Financials," similarly had the highest proportion of same-sector revolvers, which further explains the significant attention that this sector receives in the revolving door literature. The sectors of "Commerce," "Energy," and "Health Care," on the other hand, appear much more significant when analyzing same-sector revolvers than when looking at the prevalence of revolvers as a whole.

This may explain the aforementioned attention paid to "Health Care" revolvers in the literature;[178] however, this may point to a gap in the literature and in public discussion regarding the revolving doors in the "Commerce" and "Energy" sectors, which have high proportions of same-sector revolvers. The very low proportion of same-sector revolvers in "Communications" (0.2% of the total sample of revolvers, representing only one such revolver), however, is surprising, considering the literature on the phenomenon in the "Communications" sector.[179]

The discrepancies between our results and the attention garnered by these sectors in the current literature, specifically as they pertain to the same-sector revolvers, may point to academics and journalists holding a more simplistic view, according to which the "important" sectors are those from which the highest volume of former public servants revolve. Instead, greater consideration may be required for the sectors with the highest prevalence of same-sector revolvers. This figure may well be a clearer sign for concern and a better indication of which sectors ought to be studied.

#### 4. Position in Private Sector

An underexplored aspect of the revolving door is the position revolvers hold once they transition into the private sector. Some studies have analyzed the phenomenon with respect to the revolver's current role: Wutzler, for example, analyzed the movement of revolvers between the Securities and Exchange Commission and boards of directors of regulated firms.[180] Similarly, Palmer and Schneer examined the transition of senators and state governors to company boards after leaving office.[181] Interestingly, empirical studies have not generally examined the prevalence of the phenomenon as it relates to other executive officers within the firm. As a result, we sought to analyze the private-sector side of the revolving doors in our sample.

Figure 6 below illustrates the distribution of revolvers according to the positions that they currently hold in S&P 500 firms within the private sector. The graph shows the percentage of revolvers who serve in one of seven roles—Director, Chairman, CEO, Chief Financial Officer, Chief Legal Officer, Chief Compliance Officer, and Chief Operating Officer—out of the

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178. *See supra* note 171 and accompanying text.

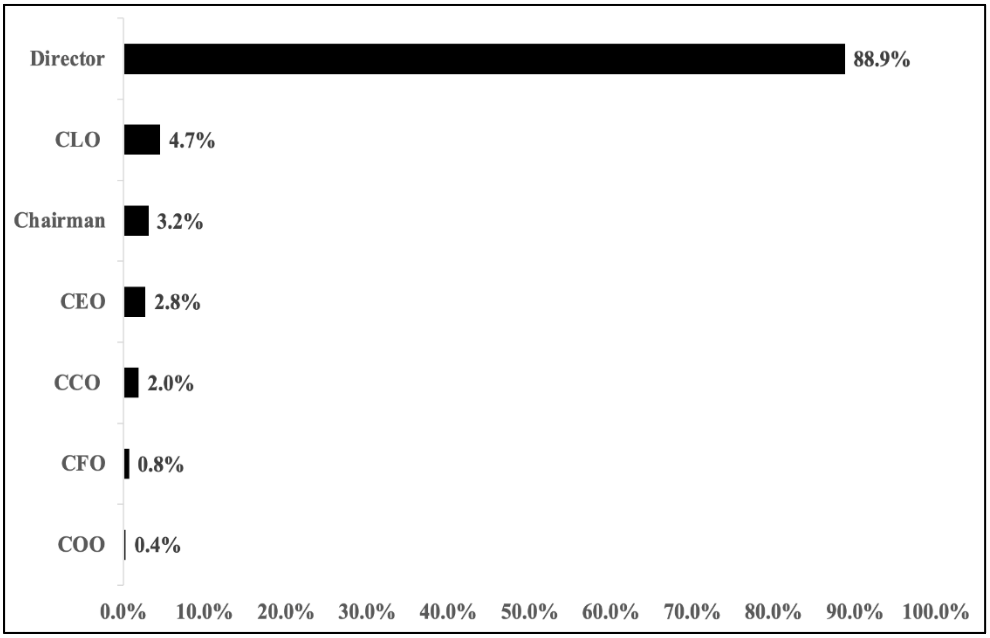
179. William Gormley's seminal work on the revolving door at the FCC, which was one of the first studies on the revolving doors, may provide a historical explanation. *See* Gormley, *supra* note 51, at 665–83.

180. Wutzler, *supra* note 51, at 155–64.

181. Palmer & Schneer, *supra* note 134, at 187–91.

sum total of revolvers in our sample. Those who served in multiple positions were classified under all relevant categories (e.g., chairmen of the board as both "Chairman" and "Director").

**Figure 6. Distribution of Revolvers, Private Sector Roles**




We found that out of 495 revolvers in our sample, excluding advisory committee members, approximately 88.9% serve as directors in the S&P 500 firm for which they currently work. For executive officers, we noted that almost 5% of revolvers serve as Chief Legal Officers, followed by 2.8% for CEOs, 2% for Chief Compliance Officers, and less than one percent for Chief Financial and Operating Officers. Additionally, 3.2% of former regulators in our sample serve as Chairmen of their current firm's board of directors.

Our findings highlight several interesting trends. Directors constitute the absolute majority of revolvers, which is not surprising considering the larger number of directors in firms,[182] and thus in our sample. Nevertheless, our analysis shows that the board of directors is strongly overrepresented when examining the extent of the revolving door. Interestingly, Chief Legal and

182. The average S&P 500 company had 10.8 directors in 2023 (the year to which our data pertains), while only one of each of the other roles above. *See* SPENCER STUART, 2023 U.S. SPENCER STUART BOARD INDEX 8 (2023), https://www.spencerstuart.com/-/media/2023/september/usbi/2023_us_spencer_stuart_board_index.pdf [https://perma.cc/4T2U-BFK4].

Compliance Officers saw significant representation within our sample, despite the lack of attention they garner with respect to public-to-private transitions. This suggests that firms may be inclined to hire former regulators for positions that deal with issues like regulatory compliance and oversight.[183] As we discuss later, the private-sector side of the revolving door can provide relevant insights for policymakers and scholars who aim to limit, or promote, the transition of personnel between the regulators and the regulated industries.

#### 5. Transition Period

A key issue in the revolving door debate is the amount of time that elapses between leaving public service and entering the private sector. This period of time, known as the "cooling-off period," is considered a useful method to reduce the supposed detrimental effects of revolving doors,[184] and it has been the key tool used by federal and state legislators in their efforts to mitigate public-to-private transitions.[185] Such cooling-off periods are used to create distance between the public and private roles,[186] to prevent the revolver's potential conflict of interest while in the public role,[187] and to increase public trust in politics.[188] The logic underpinning these restrictions is that the knowledge and connections that may be unfairly used by revolvers in the public roles will atrophy in the intervening years.[189]

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183. For a more in-depth analysis of the importance of Chief Legal and Compliance Officers with respect to the regulator, see *infra* Section IV.B.

184. Cecilia Wang, *Stop That Revolving Door: Analysis of the Appropriate Application of the "Cooling-Off" Period Beyond Senior Government Employees*, 15 CARDOZO PUB. L. POL'Y & ETHICS J. 297, 299 (2017).

185. *See, e.g.*, Bribery and Conflict of Interest Statute of 1962, Pub. L. No. 87-849, 76 Stat. 1119; Ethics Reform Act of 1989, Pub. L. No. 101-194, 202, 103 Stat. 1716, 1724; National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, § 4304, 110 Stat. 186, 659; Honest Leadership and Open Government Act of 2007, Pub. L. No. 110-81, 121 Stat. 735; N.Y. PUB. OFF. LAW § 73 (McKinney 2024).

186. Zaring, *supra* note 26, at 527 ("Beyond these cases, the anti-revolving door regime essentially tries to put distance between government service and work in the private sector, ranging from outright, eternal, and absolute bans on some matters to one-year cooling-off periods for others.").

187. Wang, *supra* note 184, at 301 ("For the benefit of the state and the departing individual, the one-to-two year cooling-off period serves as a buffer for potential conflicts of interests.").

188. EAGAN & BERTY, *supra* note 32, at 1, 4.

189. Strickland, *supra* note 34, at 71 ("Former legislators in states with cooling-off periods lose the ability to gain lobbying experience immediately upon leaving office. In the intervening years, their connections and knowledge may atrophy somewhat.").

Recent trends in federal and state legislation have sparked interest in increasing cooling-off periods to six years, significantly diverting from the common restrictions of one to two years that are currently prevalent.[190] As a result, we sought to analyze the extent of the revolving door into leading public firms within such time frames. Interestingly, we found that out of the 495 individuals who *were* classified as revolvers in our sample, many transitioned within six years of their final public sector role, with almost 53% of revolvers having transition periods of six years or less.[191]

As it stands today, federal and state legislation implements cooling-off periods that reach up to two years after exiting the public sector.[192] These post-employment restrictions are meant to limit the transition of regulators directly into the firms that they regulated. Despite widespread implementation of post-employment restrictions at the federal and state levels, various studies show different trends regarding the effect of cooling-off periods on the extent of the revolving door.[193] In line with these studies, we also analyzed the prevalence of public-to-private transitions with transition periods of two years or less. We found that 184 (37.2%) out of the 495 revolvers in our sample transitioned to S&P 500 firms within two years or less of finishing their final role in the public sector. That is to say, those that *do* transition from the public sector to S&P 500 firms mostly do so within six years of leaving their public sector roles, and they often transition within two years or less.

Figure 7 below illustrates the distribution of revolvers based on the length of their cooling-off periods between public service and their current private-sector positions. The graph shows the percentage of cooling-off periods within each category out of the sum total of revolvers in our sample, excluding advisory committee members.

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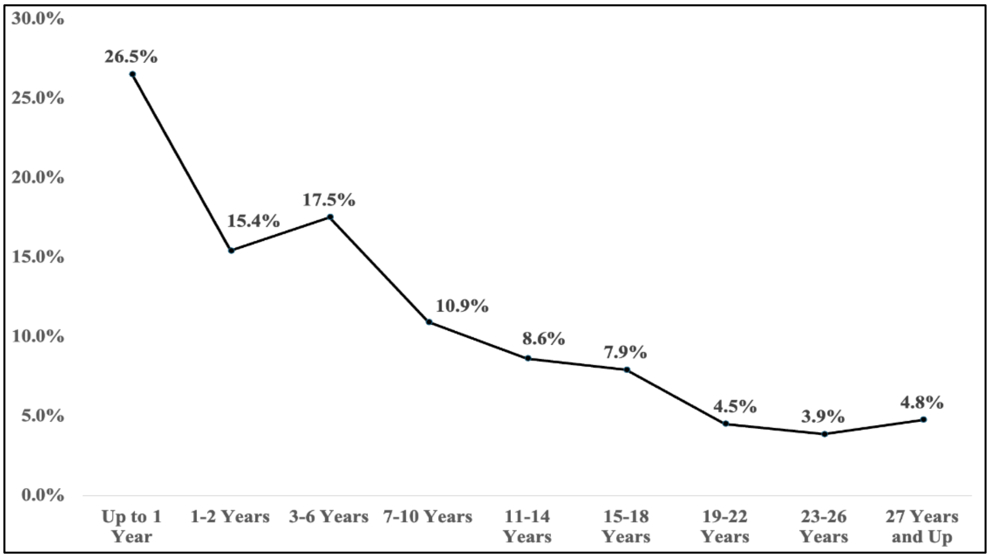
190. Florida legislators, for example, implemented six-year cooling off periods for elected officials from lobbying state agencies after leaving office. *See* FLA. CONST. art. 2, § 8(f)(3). Similarly, Congress members have introduced bills that aim to increase the cooling-off period for elected officials. This includes the Ban Members from Becoming Lobbyists Act, which proposed to increase the cooling-off period for senators to six years and for members of the House to three years. *See* Ban Members from Becoming Lobbyists Act, H.R. 1601, 118th Cong. (2023).

191. We found that 261 out of 495 revolvers transitioned within six years, adding up to 52.7% of revolvers in our sample.

192. 18 U.S.C. §§ 207–08.

193. *See, e.g.*, Lee Drutman & Bruce E. Cain, *Congressional Staff and the Revolving Door: The Impact of Regulatory Change*, 13 ELECTION L.J.: RULES, POL., & POL'Y 27 (2013) (showing that cooling-off periods implemented by the Honest Leadership and Open Government Act affected the revolving of former congressional staffers).

**Figure 7. Distribution by Cooling-Off Periods**




In our study, we noted that the average cooling-off period between the final public role and current S&P 500 position was 7.57 years. We found that a significant number of revolvers, 41.9%, moved to their current roles in the S&P 500 firms within two years.[194] In our sample, 17.5% transitioned to S&P 500 firms within three to six years, 10.9% within seven to ten years, and 8.6% within eleven to fourteen years. About 21% of revolvers in our study transitioned to their current S&P 500 role after at least fifteen years. Our findings support general trends in the current legislation, which recognize that many public-to-private transitions occur within two years of leaving the public role.

Moreover, if a revolver in our sample left their public role, immediately moved to one firm (whether in the S&P 500 or otherwise) for two years, and only then moved to their current role at the S&P 500 firm, their cooling-off period would still be counted as two years. Therefore, it is likely that the true average waiting period is even lower than we calculated, further emphasizing the concurrency with current regulations.

However, the number of revolvers transferring to the leading companies of the S&P 500 after more than two years decreases and remains relatively steady over the subsequent cooling-off periods before dipping down after

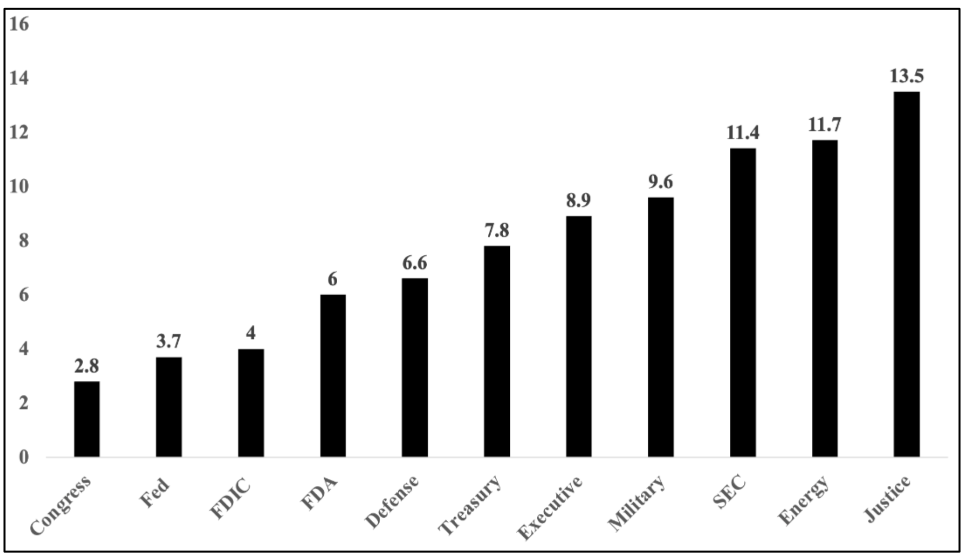
194. The current legislation does not prohibit all private employment within two years of leaving the public role. However, some have criticized the enforcement of revolving-door legislation as lacking. *See, e.g.*, Zaring, *supra* note 26, at 526 (highlighting critiques of the enforcement of revolving door regulations).

around twenty-five years. Only around 17.5% of the revolvers in our samples transferred within three to six years, which raises questions regarding the efficacy of extending certain cooling-off periods to six years.[195]

We should note that much of the legislation creating cooling-off periods requires that former officials wait before engaging with matters specifically involving their former agencies,[196] or with matters on which they worked;[197] we analyzed the transition periods under much broader strokes. Nevertheless, we believe that the overall cooling-off period to leading public firms is an applicable measure for understanding the extent to which revolvers are able to influence the efficacy of regulation on their new employers, and thereby the concern that the revolving doors may warrant.

Figure 8 below analyzes the distribution of average cooling-off periods within each respective agency or department. The graph illustrates the average number of years in which former regulators from each agency or department in our sample transitioned to their current private-sector positions.

**Figure 8. Average Cooling-Off Period by Public Agency**




In our study, we found that the agency with the shortest average cooling-off period was Congress, from which revolvers transitioned to S&P 500 firms

195. *See supra* note 190 and accompanying text.
196. 18 U.S.C. § 207(c).
197. *Id.* § 207(a)(2).

after an average of 2.8 years. Revolvers from the Federal Reserve transitioned on average within 3.7 years, those from the Federal Deposit Insurance Corporation within 4 years, those from the Food and Drug Administration within 6 years, and those from the Department of Defense within 6.6 years on average. Afterwards, we noted that agencies like the Treasury, the Securities and Exchange Commission, and the Department of Energy saw above-average cooling-off periods. The Department of Justice saw revolvers transition to S&P 500 firms after 13.5 years on average from leaving the public sector.

Our findings are especially impactful with respect to the short time in which congresspeople transition into the market's leading firms. Revolvers coming from Congress can have significant effects on important legislation in a wide variety of topics, which can be helpful to their eventual private employers. The integrity of congresspeople is also particularly important for public opinion, perhaps more so than the executive agencies.[198] Congresspeople are quicker to transition to large public firms, despite the law's current post-employment restrictions.

Interestingly, some of the agencies that raise a significant amount of discourse regarding their revolving doors, such as the SEC, the Department of Justice, and the Department of Energy,[199] have quite high average cooling-off periods. Although cooling-off periods are only one indication of a revolver's potential ongoing influence on the public sector, longer transition periods may suggest that the revolvers from those agencies are not as concerning when it comes to large public firms. Conversely, the shorter cooling-off periods common among revolvers who transition from Congress, the Federal Reserve, and the Federal Deposit Insurance Corporation may

198. Christopher Lee, *Daschle Moving to K Street*, WASH. POST (Mar. 13, 2005), https://www.washingtonpost.com/archive/politics/2005/03/14/daschle-moving-to-k-street/416c82a0-d3de-4b59-8dc2-6a754f75ee90; Robert Bryce, *Cheney's Multi-Million Dollar Revolving Door*, MOTHER JONES (Aug. 2, 2000), http://www.motherjones.com/ politics/2000/08/ cheneys-multi-million-dollar-revolving-door [https://perma.cc/P6QM-NH4M]; Bryan Metzger, *9 Years Through the Revolving Door: How the GOP's Top Senate Recruit in Michigan Got Rich After Leaving Congress*, BUS. INSIDER (Feb. 12, 2024), https://www.businessinsider.com/mike-rogers-revolving-door-michigan-senate-financial-disclosures-2024-2 [https://perma.cc/V77U-DXQ6].

199. Revolvers from places like the Department of Energy and the Environmental Protection Agency may be new focus points in light of the increasing demand for Environmental, Social, and Governance (ESG) in firms, especially with respect to environmental issues. *See, e.g.*, *Principles of Corporate Governance*, HARV. L. SCH. F. ON CORP. GOVERNANCE (Sept. 8, 2016), https://corpgov.law.harvard.edu/2016/09/08/principles-of-corporate-governance [https://perma.cc/67GJ-DA3A] ("Companies should strive to be good citizens of the local, national and international communities in which they do business; to be responsible stewards of the environment; and to consider other relevant sustainability issues in operating their businesses.").

warrant increased focus on the influence of these revolvers in the market's biggest public companies.

### 6. Advisory Committees

Federal advisory committees ("FACs") provide technical expertise to agencies in the rulemaking process, simultaneously allowing the public to participate in regulation and increasing administrative transparency in the rulemaking process.[200] However, they may increase the risks of regulatory capture,[201] and they have been criticized for being skewed towards industry issues.[202] The Federal Advisory Committee Act of 1971 ("FACA")[203] was passed to contend with the dangers of FACs, but federal courts have not broadly applied the provisions therein against capture and domination.[204] That is, although not considered revolving doors, federal advisory committees are another mechanism that may encourage capture and undue political influence, which is more available to large public corporations like those included in the S&P 500.[205]

Figure 9 below analyzes the distribution of revolvers and advisory committee members within S&P 500 executive leadership. The percentages shown represent the proportion of individuals within each category—revolvers, advisory committee members, and both revolvers and advisory committee members—out of the sum total of directors and executive officers in our sample. We note that a revolver who is also an advisory committee member will be counted in all three categories.

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200. Kevin D. Karty, *Membership Balance, Open Meetings, and Effectiveness in Federal Advisory Committees*, 35 AM. REV. PUB. ADMIN. 414, 414–15 (2005).

201. Daniel E. Walters, *The Justiciability of Fair Balance Under the Federal Advisory Committee Act: Toward a Deliberative Process Approach*, 110 MICH. L. REV. 677, 680–81 (2012).

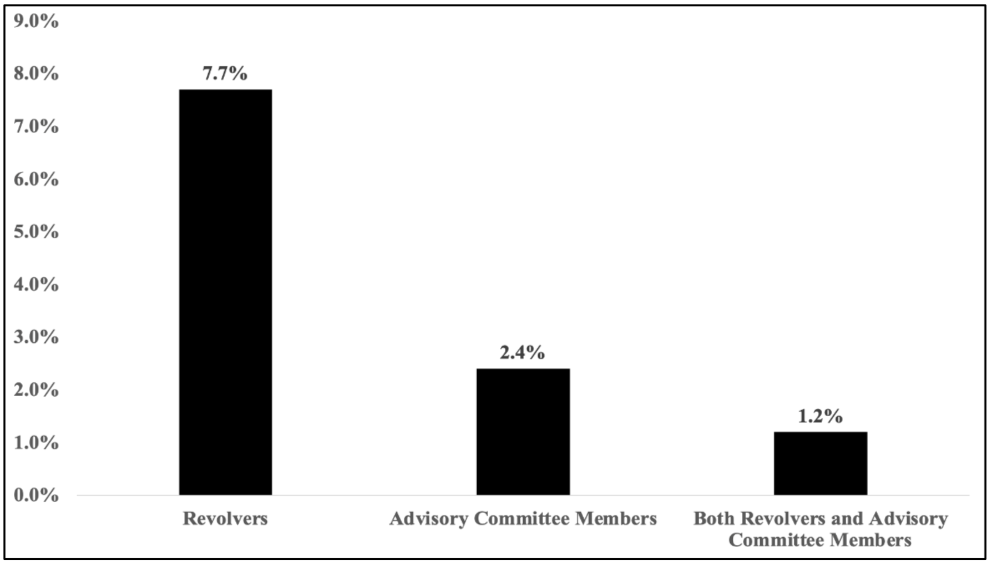
202. Brian D. Feinstein & Daniel J. Hemel, *Outside Advisers Inside Agencies*, 108 GEO. L.J. 1139, 1190 (2020).

203. Federal Advisory Committee Act of 1971, Pub. L. No. 92-463, 86 Stat. 770 (codified as amended at 5 U.S.C. app. §§ 1–16 (2006)).

204. Walters, *supra* note 201, at 680–81.

205. *See* USEEM, *supra* note 118, at 3–4.

**Figure 9. Distribution of Revolvers vs. Advisory Committee Members**




We found that 2.4% out of 6,430 directors and executive officers in our sample served or currently serve on advisory committees, whether or not they also held a previous public role. Similarly, 1.2% of our sample are both revolvers and advisory committee members, constituting half of total advisory committee participants. These numbers may be significant in light of the lax discourse surrounding advisory committees, which are not often analyzed through the lens of capture theories.[206] Although advisory committees are not traditionally considered in the revolving-door discourse, we find a certain overlap between the two in our sample.

Our findings open the door for further research on the subject as it relates to the integrity of the regulator. The topic of federal advisory committees and capture remains important in light of recent developments within the

206. That is not to say that advisory committees have not stimulated academic research and public discussion at all. *See, e.g.*, Walters, *supra* note 201, at 677; Feinstein & Hemel, *supra* note 202, at 1139–40; Jay S. Bybee, *Advising the President: Separation of Powers and the Federal Advisory Committee Act*, 104 YALE L.J. 51, 53–55 (1994); Steven P. Croley & William F. Funk, *The Federal Advisory Committee Act and Good Government*, 14 YALE J. REGUL. 451, 452–58 (1997). For news articles, see Reshma Ramachandran et al., *The Future of FDA Advisory Committees: Protecting Public Health and Preserving Public Trust*, HEALTH AFFS. (July 1, 2024), https://www.healthaffairs.org/content/forefront/future-fda-advisory-committees-protecting-public-health-and-preserving-public-trust [https://perma.cc/XX4L-6HUY]; Grace Wickerson, *How an Obscure Law Shapes the Way the Public Engages with the Food and Drug Administration*, FED'N AM. SCIENTISTS (Jan. 23, 2024), https://fas.org/publication/faca-acs-fda-engage/ [https://perma.cc/KZ2T-SRTA].

incumbent Trump administration. President Trump signed an executive order establishing the United States Department of Government Efficiency ("DOGE"), an advisory commission headed by Elon Musk that served to "maximize governmental efficiency and productivity."[207] Critics raised concerns regarding Musk's position in DOGE, specifically due to his extensive private-market holdings in regulated firms like Tesla and SpaceX,[208] and regarding the extent to which the commission is subject to the Federal Advisory Committee Act.[209] As a result, scholars ought to consider further analyses of the intersection between advisory committees and regulatory efficacy.

## IV. TOWARDS A CONTEXT-BASED APPROACH

The revolving door phenomenon has long been the subject of debate among policymakers, academics, the media, and society as a whole, even gaining renewed traction in recent years. Interestingly, despite the longevity of this topic, regulation and discourse have largely remained binary, often summing up the interchange of personnel between the public and private sectors as inherently beneficial or inherently harmful.[210] This Article aims to deviate from these viewpoints and offer a more nuanced approach based on the fact-intensive inquiry we conducted in Part III. We explain that simplistic, zero-sum analyses of the phenomenon do not account for the real challenges and concerns regarding public-to-private transitions.

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207. Soo Rin Kim, *New Details on Musk's DOGE Agency Raise Questions About Its Scope, Transparency*, ABC NEWS (Jan. 23, 2025), https://abcnews.go.com/US/new-details-musks-doge-agency-raise-questions-scope/story?id=118046176 [https://perma.cc/95MY-S6CF].

208. Faiz Siddiqui, *Elon Musk's Business Conflicts Draw Scrutiny amid White House Role*, WASH. POST (Jan. 24, 2025), https://www.washingtonpost.com/business/2025/01/24/elon-musk-conflicts-doge-trump-openai.

209. Rin Kim, *supra* note 207.

210. Theoretical papers often discuss singularly positive or negative perspectives of the revolving doors. For examples of more positive viewpoints, see Che, *supra* note 59, at 393 (providing a theory of human capital when discussing the revolving doors); Zheng, *supra* note 26, at 1297 (discussing the market-expansion hypothesis of the revolving doors); Zaring, *supra* note 26, at 546–48 (arguing for a positive viewpoint of the revolving door phenomenon). For papers that criticize the revolving doors, see, for example, Barkow, *supra* note 49, at 21 n.23 (describing the revolving doors as a form of regulatory capture); George W. Hilton, *The Basic Behavior of Regulatory Commissions*, 62 AM. ECON. REV. 47, 48 (1972) (explaining that regulators partake in self-interested behavior in light of their expected transitions into the private sector); Zephyr Teachout, *The Anti-Corruption Principle*, 94 CORNELL L. REV. 341, 346 (2009) ("The revolving door between staffers and lobbyists, the lure of powerful contacts, the seductions of a wealthy community, and other forces all give regular work to what [Alexander] Hamilton called 'the business of corruption.'").

Various theories attempt to describe the effect of the revolving doors on the integrity of the regulator.[211] However, most of these theories seem to assume that their analysis is applicable in all cases and fail to discern the circumstances under which their view of the revolving doors may not be relevant. Instead, they attempt to formulate a rigid, concrete definition of the extent and nature of the revolving doors, summing the phenomenon up as solely beneficial or harmful to the integrity of the regulator.[212] Considering our varied empirical results, our view is that policymakers and scholars should abandon their attempts to develop a singular approach to the revolving doors.[213]

Our findings in Part III show that binary perspectives of the revolving doors do not account for the significant variations in the phenomenon in the real world. We found that the extent of the revolving doors differs across various criteria, including the agency or department from which they came; the level of seniority that they held in their agency or department; the sectors that the revolvers regulated in their government roles; the sectors with the highest proportions of revolvers who transitioned to firms that they regulated; the position that they hold in public firms within the private sector; and the length of the transition period between their exit from the public sector and their entrance into the market's biggest public firms. Similarly, we showed that the normative desirability of the phenomenon also differs in the revolving door literature according to these same criteria.

As a result, we argue that policymakers and academics ought to take steps to *contextualize* their approach to the revolving door phenomenon. The variance in the extent and the nature of the revolving doors, as highlighted above, shows that there is no one-size-fits-all solution to the topic, especially when it can serve to both benefit and harm the efficacy of market regulation. Limitations on the transition of former regulators to the private sector should take into account the various parameters that we analyzed in our empirical research, including the agency from which they came and the role to which they transition.

There are certain negative effects to broad, non-specific approaches to the revolving doors. Utilizing a rigid approach to the phenomenon when it is not

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211. *See* sources cited *supra* note 210.

212. *See* sources cited *supra* note 210.

213. Our claim is similar in nature to that of Bebchuk and Hamdani, who argue for developing separate methodologies for assessing the governance of firms with and without controlling shareholders. *See* Lucian A. Bebchuk & Assaf Hamdani, *The Elusive Quest for Global Governance Standards*, 157 U. PA. L. REV. 1263, 1268–69 (2009). Here, we claim that policymakers and scholars ought to vary their approach to analyzing the nature of the revolving doors depending on the respective circumstances.

needed can reduce the possible benefits of the transition of former regulators to the private sector, including stronger regulatory compliance and increased expertise within firm leadership.[214] Conversely, lax approaches to the revolving doors, specifically when there are concerns regarding the regulator's integrity, can expose the regulator to capture and over-sympathizing tendencies with the regulated industry.[215] The delicate balance between these considerations underscores the need to refrain from sweeping, comprehensive measures. The phenomenon, as we have shown, is context-dependent, and therefore the regulatory approach needs to be context-based.

This Part discusses the implications of our context-based approach for discourse, policymaking, and research surrounding the revolving doors. Section IV.A analyzes the public-sector side of the phenomenon, where we explain that federal regulations should differentiate between different agencies and departments when implementing post-employment restrictions for government officials. Section IV.B examines the private-sector side of the revolving doors. Here, we consider a new regulatory approach that aims to regulate the destination to which revolvers arrive, including the firms for which they work and the positions that they hold in the private sector. Section IV.C discusses the possible benefits of collecting agency-wide data on revolvers within the federal government. Section IV.D explores the role of the firm in dealing with the revolving door phenomenon.

### *A. From the Public Sector: Towards Intra-Agency Regulation*

Modern revolving door discourse and regulation largely focus on the public-sector side of the revolving doors. The brunt of the regulator's focus remains on implementing post-employment restrictions for government officials and limiting their communications with individuals from the private sector. This is the case with respect to federal statutory regulations, like Sections 207 and 208 of the U.S. Code,[216] which aim to create distance between the regulator and those who depart to the private sector. This is also true for agency-level guidelines, like those in the SEC and the Federal Reserve,[217] which focus on implementing limitations on former employees once they leave their positions. Thus, policymakers and scholars have remained steadfast in regulating, first and foremost, the exit of former government officials when dealing with the revolving door phenomenon.

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214. *See* Cox & Thomas, *supra* note 49, at 847–48.
215. *See* discussion *supra* note 63.
216. 18 U.S.C. §§ 207–08.
217. *See supra* notes 151–152.

Interestingly, federal statutory legislation and agency-wide guidelines have not made strides in contextualizing the necessary regulation for public-to-private transitions. Section 207, the central piece of revolving door regulations, does not differentiate between the post-employment restrictions for the different agencies and departments within the executive branch.[218] The statute implements cooling-off periods for former executive officials with no variation by agency or department, instead only differentiating between the level of seniority held within the public sector.[219] In contrast, the section does differentiate between different personnel in the legislative branch, providing different restrictions for senators, representatives, and other congressional staff.[220]

That is, current regulation functions under the assumption that the phenomenon manifests identically across the executive branch. However, as discussed in Part III, our findings show that the extent of the revolving doors is not identical across executive agencies or departments. There, we noted that some agencies, like the Federal Reserve, the military, and the Department of Defense, saw a significantly higher number of revolvers than others.[221] This is also the case with regard to the industries in which the revolvers operated in their public roles—the Defense, Financials, and Politics sectors, for example, saw significantly higher percentages of revolvers than other sectors, like Communications and Health Care.[222]

These variations may even have implications for whether the effect of the revolving doors is negative or positive. Within some sectors, scholars have found data supporting theories of regulatory capture, while in other sectors, scholars attribute the transition to theories of human capital and market expansion.[223] It is much too early to truly reach well-founded conclusions regarding the effects of revolving doors on different sectors; however, these differences in findings may highlight the need for different regulatory approaches. Given the benefits and concerns regarding the revolving doors, both under-regulating and over-regulating can be harmful. Due to the

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218. 18 U.S.C. § 207.

219. *Id.* Section 207 differentiates between certain "senior" and "very senior" personnel within the executive branch. *See id.* § 207(c)–(d). However, no such differentiation occurs for specific agencies or departments. *See, e.g.*, *id.* at § 207(a)(1) (restricting communication with officers and employees from "any department, agency, court, or court-martial").

220. *Id.*

221. *See supra* Section III.B.2.

222. *See supra* Section III.B.3.a.

223. *See, e.g.*, Shive & Forster, *supra* note 51, at 1472–80 (finding support for human capital hypotheses among financial regulators); Lucca et al., *supra* note 51, at 23–27 (discussing the relationship between economic conditions and worker flow); Tabakovic & Wollmann, *supra* note 157, at 23 (finding evidence of regulatory capture within the U.S. Patent and Trademark Office).

variation, the current one-size-fits-all approach to all executive agencies is bound to result in suboptimal regulation, negatively affecting the regulated industry.

As a result, federal policymakers ought to utilize a context-based approach when regulating the "exit" side of the revolving doors. Federal statutory legislation should differentiate between different agencies and departments within the executive branch, depending on where stringent post-employment restrictions appear to be more necessary. Section 207, for example, can be altered to take into account the most concerning agencies and departments, which may be those from which personnel most often transition, when implementing cooling-off periods for former government officials.[224]

Similarly, revolving door regulation should take into account the transition of former regulators into firms in the sector that they previously regulated. As explained above, these transitions may be particularly concerning.[225] Policymakers can tailor limitations for revolvers who transition within the same sector, such as, for example, implementing specific limitations for Department of Defense officials seeking to work for companies in the defense industry.[226] Policymakers can differentiate between sectors like Defense and Financials, which saw greater percentages of revolvers and same-sector revolvers, respectively, and sectors like Communications, which saw little to no revolvers within the largest public firms.

At the intra-agency or intra-department level, contextualized revolving door regulations can also be implemented. Agencies and departments with stronger concerns of regulatory capture can implement more stringent limitations for their former employees, and vice versa. For example, financial regulators like the SEC and the Federal Reserve, if necessary, can implement tougher post-employment restrictions for former employees within the financial sector. Conversely, agencies which are less concerned with capture, or those in which the positive effects of experienced human capital or market expansion are more profound, can utilize more lenient regulations, such as shorter cooling-off periods. Through contextualized agency-wide and department-wide guidelines, regulators can account for the extent and nature of their respective revolving doors.

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224. *See generally* 18 U.S.C. § 207(c)–(d) (establishing a one-year ban on post-employment communications with one's former "department or agency" intended to influence official action).

225. *See supra* Section III.B.3.b.

226. Same-sector transitions can heighten both concerns of regulatory capture and hopes of stronger regulatory compliance. For a nuanced discussion on same-sector transitions, see *supra* Section III.B.3.

### *B. To the Private Sector: A New Regulatory Approach*

Despite the heavy focus on the public sector, policymakers and scholars have not given similar attention to the private-sector side of the revolving doors. Current regulations make no reference to the private-sector role of the revolver, and they do not differentiate between the firms to which revolvers transition or between the positions that they hold in the private sector. Instead, revolvers are generally only prohibited from working for specific firms based on matters in which they had a direct and substantial interest.[227] Similarly, academics have not often analyzed the private-sector side of the revolving doors, instead focusing on the regulatory agencies from which revolvers transition.[228] As a result, there is little discussion regarding the extent to which the private-sector side of the revolving doors should be regulated.

Our view, concurrent with our empirical findings, is that revolving door regulations should take into account the destination to which revolvers arrive. The phenomenon can manifest differently with respect to the private sector, especially as it relates to the revolver's private sector role. Therefore, post-employment restrictions should be respectively tailored to differentiate between different types of firms to which revolvers can transition and different positions that revolvers can hold.

Our findings in Part III, for example, show variations in the positions that revolvers hold in the private sector. We found that a strong majority of revolvers in large public firms transition into boards of directors.[229] As the organ responsible for making major decisions regarding corporate policy and strategy,[230] both the concerns and the benefits of revolving doors are very relevant towards boards of directors. In addition, we also noted a significant number of revolvers who serve as Chief Legal and Compliance Officers in their respective firms. Interestingly, these positions have garnered little attention, if any, in the political and economic literature surrounding the revolving doors.

Chief Legal and Compliance Officers play a significant role in developing the firm's compliance culture and maintaining close relationships with the

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227. *E.g.*, 18 U.S.C. § 207(a)(1)(A).

228. There are some exceptions to this. *See, e.g.*, Wutzler, *supra* note 51, at 155–64 (examining the determinants and consequences of revolving doors out of the SEC and into company boards); Palmer & Schneer, *supra* note 134, at 187–91 (describing the transition of former politicians and senior executive officials to boards of directors).

229. *See supra* Section III.B.4.

230. Stephen M. Bainbridge & M. Todd Henderson, *Boards-R-Us: Reconceptualizing Corporate Boards*, 66 STAN. L. REV. 1051, 1053 (2014).

regulator.[231] These executives are present in the preliminary stages of policymaking, attending roundtables and hearings, providing comment letters, and acting as liaisons between the firm and the regulator.[232] Furthermore, they are responsible for implementing governmental regulations within the firm, ensuring that they comply with regulatory requirements. Therefore, former regulators who transition into roles as legal or compliance officers in the private sector may require increased scrutiny, as both the concerns—and the benefits—of the revolving doors can be heightened. These officers' high level of involvement with the firm's compliance culture makes the fear of regulatory and cultural capture even greater, but it also means that their expertise from the public sector can be particularly helpful in improving the corporation's regulatory compliance.

Conversely, we found smaller numbers of revolvers who transitioned into roles as Chief Executive, Financial, and Operating Officers. The result is that the revolving doors manifest differently not only across different firms, but also across positions within each firm. Revolving door regulation ought to take into account the roles that revolvers hold in the private sector, including potential limitations for specific roles if deemed necessary.

### *C. The Need for Information*

Information is the building block for policymaking and regulations within the government.[233] Regulatory agencies require information and data

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231. For more information about Chief Legal Officers, see Deborah A. DeMott, *The Discrete Roles of General Counsel*, 74 FORDHAM L. REV. 955, 965–74 (2005) (describing the powerful and central role played by the general counsel); E. Norman Veasey & Christine T. DiGuglielmo, *The Tensions, Stresses, and Professional Responsibilities of the Lawyer for the Corporation*, 62 BUS. LAW. 1, 14 (2006); Stephen M. Bainbridge, *The Tournament at the Intersection of Business and Legal Ethics*, 1 U. ST. THOMAS L.J. 909, 920–21 (2004). For more information about Chief Compliance Officers, see Asaf Eckstein & Roy Shapira, *Compliance Gatekeepers*, 41 YALE J. REGUL. 469, 481–89 (2024); Harry Hurt III, *Drop That Ledger! This Is the Compliance Officer*, N.Y. TIMES (May 15, 2005), https://www.nytimes.com/2005/05/15/business/yourmoney/drop-that-ledger-this-is-the-compliance-officer.html ("Sarbanes-Oxley has made chief compliance officers almost as important to corporate success—or at least survival—as chief executives and chief financial officers.").

232. *See, e.g.*, Robert C. Bird et al., *The Role of the Chief Legal Officer in Corporate Governance*, 34 J. CORP. FIN. 1, 2 (2015) ("[R]egulators perceive the CLO as the main point of contact.").

233. Cary Coglianese et al., *Seeking Truth for Power: Informational Strategy and Regulatory Policymaking*, 89 MINN. L. REV. 277, 277 (2004) ("Information is the lifeblood of regulatory policy. The effective use of governmental power depends on information about conditions in the world, strategies for improving those conditions, and the consequences associated with deploying different strategies.").

collection efforts when deciding how to regulate phenomena in the market. Without understanding the causes behind the market failures that they seek to minimize, administrative agencies are bound to fail in properly regulating, and de-regulating, the market.[234] By collecting information, regulators can effectively implement rules and guidelines that set appropriate performance standards for market participants.[235]

Regulators are not limited to just gathering information on trends within the market. They can also collect data on trends that occur within administrative agencies themselves.[236] In this case, there is another goal to information gathering: increasing transparency with respect to the regulator. When the regulator collects data on itself, analyzing trends within the agency or department (like data regarding the transition of its employees), other government bodies and the public alike are able to scrutinize the behavior of those who regulate the market.[237] Furthermore, the transparency increases the public's trust in regulatory agencies and strengthens its policymaking legitimacy.[238]

Understanding the revolving door phenomenon, benefits and disadvantages alike, requires extensive theoretical and empirical analysis. The revolving doors can manifest differently, both in extent and in nature, depending on the criteria we discussed in our findings. Furthermore, assumptions regarding the efficacy of the revolving doors are generally empirically contested and rely on anecdotal evidence.[239] Therefore, taking a context-based approach to the phenomenon demands available information with respect to the variation of the revolving doors by each criterion.

To increase the quantity of information needed, agencies and departments ought to consider collecting and analyzing data regarding the transitions of former employees into the private sector. They can create databases that

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234. *Id.* at 281–85.

235. *Id.* at 283–84 ("Regulations usually specify actions that individuals or firms either must or must not take, so regulators need to identify a portfolio of actions that they might require or prohibit. . . . Even when regulations set performance standards, regulators must often know about solutions in order to choose a feasible standard or develop appropriate performance measures.").

236. *See* Cass R. Sunstein, *The Office of Information and Regulatory Affairs: Myths and Realities*, 126 HARV. L. REV. 1838, 1840–41 (2013).

237. For an explanation of the use of transparency to signal expertise within the administrative agency, see, for example, Wendy E. Wagner, *A Place for Agency Expertise: Reconciling Agency Expertise with Presidential Power*, 115 COLUM. L. REV. 2019, 2026–28 (2015) (describing analytical processes that administrative agencies use to increase transparency and encourage scrutiny).

238. Kristina Murphy et al., *Nurturing Regulatory Compliance: Is Procedural Justice Effective When People Question the Legitimacy of the Law*?, 3 REGUL. & GOVERNANCE 1, 18–20 (2009).

239. *See* sources cited *supra* note 210.

illustrate the distribution of their respective revolvers, including their level of seniority, the length of their transition period, and the position they later hold in the private sector.

There are three main benefits to collecting agency-wide information on the revolving doors. First, it allows agencies and departments to closely monitor the extent and nature of the phenomenon in their respective fields, both from the public-sector side and the private-sector side. It serves policymakers within the executive branch, who can tailor guidelines to their respective agency's needs; academics, who can utilize the data to examine the revolving door phenomenon more in depth; and other government branches, who can encourage checks and balances by pushing against certain behaviors within administrative agencies. Second, it deters revolvers *ex ante* from taking advantage of their ability to transition to the private sector. Former regulators will be the subject of increased scrutiny, both by policymakers and by scholars, which can serve to limit potential concerns regarding the revolving doors. Finally, agency-created databases would have access to more information and can act as more trustworthy sources than current publicly generated alternatives.[240]

### *D. The Firm's Role in Regulating the Revolving Doors*

The discourse among policymakers, academics, the media, and social organizations almost solely focuses on the responsibility of administrative agencies in mitigating the negative effects of the revolving doors. Their premise is simple: regulators are best suited to limit the corruption of legislative and regulatory systems by bad-faith revolvers, who act as "insider lobbyists in disguise."[241]

Interestingly, no attention has been given to the role that corporations themselves may have in dealing with the possible consequences of the revolving doors. The literature works through an underlying assumption that

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240. Some private organizations have begun compiling information on revolvers by themselves. However, there are several benefits to having organized governmental databases. *See, e.g.*, Stephen Rushin, *Using Data to Reduce Police Violence*, 57 B.C. L. REV. 117, 132–35 (2016) (discussing the benefits of using government-collected databases on civilian deaths by law enforcement to reduce police violence).

241. *See, e.g.*, CRAIG HOLMAN & CARALYN ESSER, SLOWING THE FEDERAL REVOLVING DOOR 1 (2019), (describing three ways that "the government-to-lobbyist revolving door threatens the integrity of government"); Madeleine Greenberg, *Stopping the Revolving Door: Preventing Conflicts of Interest from Former Lobbyists*, CAMPAIGN LEGAL CTR. (Apr. 24, 2025), https://campaignlegal.org/update/stopping-revolving-door-preventing-conflicts-interest-former-lobbyists [https://perma.cc/W2YK-X6CH] (characterizing the revolving door as a "pathway[] for wealthy special interests to exert undue influence over our government").

firms do not have an interest in minimizing the effects of capture between the regulator and the regulated industry. The firm's main focus, in their view, is rooted in the classic objective of shareholder value maximization,[242] where rent-seeking and personal connections with the regulator contribute to the firm's bottom-line profits.

However, the debate over corporate purpose has transformed within recent years.[243] Firms have begun to move towards stakeholderist objectives,[244] taking into account the broader interests of corporate constituents beyond the shareholder, including those of employees, consumers, suppliers, and society as a whole.[245] This movement has been spurred by other figures beyond the

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242. D. Gordon Smith, *The Shareholder Primacy Norm*, 23 J. CORP. L. 277, 278 (1998) ("Corporate directors have a fiduciary duty to make decisions that are in the best interests of the shareholders."); Dorothy S. Lund & Elizabeth Pollman, *The Corporate Governance Machine*, 121 COLUM. L. REV. 2563, 2576 (2021) ("Thus, by the end of the 1980s . . . pursuing shareholder value was regularly identified as a core corporate objective.").

243. *See* Edward Rock, *For Whom Is the Corporation Managed in 2020?: The Debate Over Corporate Purpose* 7–27 (Eur. Corp. Governance Inst., Working Paper No. 515/2020, 2020), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3589951 (illustrating the foundations behind the debate over corporate purpose); Leo E. Strine Jr., *Restoration: The Role Stakeholder Governance Must Play in Recreating a Fair and Sustainable American Economy: A Reply to Professor Rock*, 76 BUS. LAW. 397, 399 (2021); Jill E. Fisch & Steven Davidoff Solomon, *Should Corporations Have a Purpose*?, 99 TEX. L. REV. 1309, 1329–39 (2021) (describing an instrumental view of corporate purpose as a tool for facilitating the objectives of corporate participants); Ann M. Lipton, *What We Talk About When We Talk About Shareholder Primacy*, 69 CASE W. RSRV. L. REV. 863, 883–88 (2019) (discussing the debate over corporate purpose with respect to shareholder primacy).

244. *See, e.g.*, Margaret M. Blair & Lynn A. Stout, *A Team Production Theory of Corporate Law*, 85 VA. L. REV. 247, 319–27 (1999) (demonstrating a pivot towards stakeholder orientation and non-shareholder-value maximization); Lisa M. Fairfax, *Stakeholderism*, *Corporate Purpose, and Credible Commitment*, 108 VA. L. REV. 1163, 1171–81 (2022) (discussing the recent trend towards firm stakeholderism); Michal Barzuza et al., *The Millennial Corporation: Strong Stakeholders, Weak Managers*, 28 STAN. J.L. BUS. & FIN. 255, 258 (2023) ("The most important phenomenon in the corporate world today is the swift and dramatic rise of Environmental, Social and Governance ('ESG') issues as a consideration for investors, stakeholders, the public, and—consequently—CEOs and directors.").

245. Paul Washington & Jeff Hoffman, *Governance and Management of Corporate Citizenship*, CONF. BD. (July 20, 2022), https://www.conference-board.org/publications/governance-and-management-of-corporate-citizenship-overview [https://perma.cc/R5B8-JHUB] ("Given the evolving role of corporations in serving the long-term welfare of multiple stakeholders, with a particular emphasis on community, we can expect that corporate citizenship will play an increasing role in responding to a broad array of social and environmental issues, as well as in supporting the execution of corporate business strategies."); HARV. L. SCH. F. ON CORP. GOVERNANCE, *supra* note 199 ("Companies should strive to be good citizens of the local, national and international communities in which they do business; to be responsible stewards of the environment; and to consider other relevant sustainability issues in operating their businesses.").

firm, including politicians,[246] institutional investors,[247] academia,[248] shareholders,[249] and the public as a whole.[250]

As a result, one would expect that firms would subsequently commit themselves to promoting internal policies that align with good "Corporate Citizenship."[251] Such has been the case with employees, for whom firms have implemented better working conditions, increased benefits, and greater pay;[252] with consumers, for whom companies have tailored socially responsible and pro-environmental attitudes;[253] with suppliers, alongside whom they push to deal fairly and ethically;[254] and with other members of society alike.[255]

If firms are serious about promoting broader social objectives, then they may serve a role in mitigating the potential negative effects of the revolving doors. Companies can utilize the tools at their disposal to safeguard the

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246. For example, Senator Elizabeth Warren called to shift corporations from a sole purpose of maximizing shareholder value to supporting other constituencies including workers. *See, e.g.*, Press Release, Elizabeth Warren, U.S. Sen., U.S. Senate, Warren Introduces Accountable Capitalism Act (Aug. 15, 2018), https://www.warren.senate.gov/newsroom/press-releases/warren-introduces-accountable-capitalism-act [https://perma.cc/F695-CKF8].

247. Dorothy S. Lund, *Asset Managers as Regulators*, 171 U. PA. L. REV. 77, 79–81 (2002). Some academics argue that institutional investors are not best fitted to be the driving force behind stakeholderism, *See, e.g.*, Zohar Goshen & Assaf Hamdani, *Will Systematic Stewardship Save the Planet?*, 70 VILL. L. REV. 467, 471 (2025) ("[T]he stewardship of universal owners will be ineffective in reducing emissions due to their lack of the necessary incentives and competence."); Sharon Hannes et al., *The ESG Gap*, 49 BYU L. REV. 1137, 1166 (2024) ("A complete analysis of the motives of institutional investors reveals that, at best, they have partial incentives to promote ESG goals.").

248. *See, e.g.*, Strine, *supra* note 243, at 405–11; Stavros Gadinis & Amelia Miazad, *Corporate Law and Social Risk*, 73 VAND. L. REV. 1401, 1459 (2020) ("[C]ourts should recognize [ESG considerations] as an essential part of boards' monitoring mission.").

249. Cathy Hwang & Yaron Nili, *Shareholder-Driven Stakeholderism*, U. CHI. L. REV. ONLINE, Apr. 2020, at 1, 1–4 (showing that shareholders themselves have been the "driving force" behind stakeholderism).

250. Hillary A. Sale, *The Corporate Purpose of Social License*, 94 S. CAL. L. REV. 785, 788 (2021).

251. *See, e.g.*, NEMAK, CORPORATE CITIZENSHIP POLICY 1 (2024) ("Corporate Citizenship: Refers to company's responsibilities toward society.").

252. David F. Larcker et al., *Protests from Within: Engaging with Employee Activists*, HARV. L. SCH. F. CORP. GOV. (Mar. 24, 2021), https://corpgov.law.harvard.edu/2021/03/24/protests-from-within-engaging-with-employee-activists [https://perma.cc/W6TZ-BGK2] ("On the culture front, the employer-employee relationship has also changed. Advancements in technology, the use of remote work environments, and greater job fluidity (particularly among knowledge workers) have resulted in employees feeling a greater sense of independence and empowerment.").

253. Barzuza et al., *supra* note 244, at 278–79.

254. *See* BRT STATEMENT, *supra* note 93.

255. *Id.*

integrity of the regulator and avoid the supposed harm of the phenomenon, thereby serving consumers, suppliers, and society as a whole. Business corporations can ensure that their composition of directors and executive officers takes into account the number of revolvers who transitioned from the public sector. Concurrent with their focus on generating ethnic and gender diversity,[256] director independence,[257] and expertise within the executive leadership,[258] firms can account for the extent to which members of management originate from the public sector. Through internal regulations of the revolving doors, such as choosing not to hire those who have very recently left senior roles in the company's main regulating agency, companies can serve to improve their internal governance structures and benefit their greater corporate constituents.

Furthermore, companies can explicitly disclose the presence of revolvers within their executive leadership. Firms already disclose the professional backgrounds of their directors and executive officers,[259] including gender and racial/ethnic compositions of the board,[260] alongside their lobbying investments and dealings with the regulator.[261] As a result, it is not

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256. Michal Barzuza & Gideon Parchomovsky, *Economic Analysis of Board Diversity*, 49 J. CORP. L. 1043, 1050–61 (2024). In fact, under SEC regulations, public firms are required to disclose whether and, if so, how their boards' nomination committees consider diversity in identifying nominees for directors. Proxy Disclosure Enhancements, 74 Fed. Reg. 68334, 68343 (Dec. 23, 2009) (codified at 17 C.F.R. pts. 229, 239, 249, 274).

257. Yaron Nili, *Out of Sight, Out of Mind: The Case for Improving Director Independence Disclosure*, 43 J. CORP. L. 35, 44–46 (2017) (discussing the movement towards increased director independence).

258. Yaron Nili & Roy Shapira, *Specialist Directors*, 41 YALE J. REGUL. 652, 661–69 (2024) (examining the increased desire in the market for board expertise).

259. As part of Regulation S-K at 17 C.F.R. § 229.401(e), companies must discuss the business experience during the past five years of each director, executive officer, and person nominated or chosen to become a director or executive officer.

260. Matteo Tonello & Paul Hodgson, *Corporate Board Practices in the Russel 3000, S&P 500, and S&P Mid-Cap 400*, HARV. L. SCH. F. ON CORP. GOV. (Nov. 6, 2021), https://corpgov.law.harvard.edu/2021/11/06/corporate-board-practices-in-the-russell-3000-sp-500-and-sp-mid-cap-400 [https://perma.cc/E9CS-2CTB].

261. Although public corporations are not subject to a legislative or regulatory duty to disclose lobbying expenditures to their shareholders, they can voluntarily disclose such information. This is due to a growing interest among shareholders who submit hundreds of proposals asking companies to disclose their federal and state lobbying expenditures, alongside a growing interest among policymakers and the media. *See, e.g.*, Subodh Mishra, *Corporate Political Activity Disclosures: A Continued Priority for Investors and Companies*, HARV. L. SCH. F. ON CORP. GOV. (Nov. 12, 2024), https://corpgov.law.harvard.edu/2024/11/12/corporate-political-activity-disclosures-a-continued-priority-for-investors-and-companies [https://perma.cc/MKA6-NHME].

particularly taxing to have firms also disclose information on the transitions of their executive personnel from the public sector. Such disclosure would serve all of the company's respective constituents, allowing shareholders and stakeholders alike to react accordingly to changes in the composition of revolvers in the firm's leadership, regardless of whether they deem the phenomenon beneficial or harmful.

## V. CONCLUSION

In this Article, we argue that the revolving door phenomenon is context-dependent and that the approach to its regulation should be adjusted accordingly. The modern discourse surrounding the revolving door has largely remained binary in nature—proponents claim that the phenomenon fosters stronger regulatory compliance and more aggressive enforcement practices, while critics suggest that the interchange of personnel encourages regulatory capture and over-sympathizing with the regulated industry.

To bridge the gap between these viewpoints, we provide a comprehensive empirical analysis of the revolving doors between the executive and legislative branches and S&P 500 firms in the fiscal year 2024. Our findings show that the extent of the phenomenon is context-dependent, varying based on the agencies or departments from which revolvers transitioned; the level of seniority they previously held in the public sector; the sector from which they transitioned into public firms; the position they currently hold in the private sector; and the length of the transition period between their exit from government and their entrance into the current S&P 500 firms.

Recognizing the variations regarding the revolving doors has significant implications for policymakers and scholars. We suggest that policymakers ought to contextualize their regulation of the public-sector side of the revolving doors by implementing different post-employment restrictions for government officials from different executive agencies and departments. We offer a new regulatory approach for the private-sector side of the phenomenon that centers around regulating the destination to which revolvers arrive. We explain that agencies should collect data on former employees that transition into the private sector. Finally, we explore the role of firms in regulating the revolving doors in light of their increased commitments to stakeholderist objectives. Through these recommendations, we believe that policymakers and scholars can begin to contextualize their approaches to analyzing the extent and nature of the revolving door phenomenon.