

## Department of State Inspector General Issues Report on Contractor Confidentiality Provisions with Employees

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The Office of the ***Inspector General for the U.S. Department of State (OIG)*** issued a report on its review of the use of confidentiality agreements and policies by Department of State contractors. In preparing the report, OIG sent a five-question survey to the 30 contractors with the largest Department of State contracts in 2012. Each company responded and provided various company policies and handbooks. The report concluded that all respondents had some form of a *confidentiality agreement* and that none of them were overly restrictive.

The report did note, however, concerns about two types of provisions. First, the report notes that several contractors had provisions requiring employees to notify company officials if they are contacted by a government auditor. In addition, some contractors had a non-disparagement agreement or policy. The report noted that these provisions “may have a legitimate justification,” but may also “still have a chilling effect on employees who wish to report fraud, waste, or abuse to a Federal official.”

The report encouraged companies to adopt best practices for encouraging the reporting of suspected wrongdoing by employees, including establishing a hotline for complaints, displaying hotline posters in the workplace, encouraging the reporting of potential fraud and abuse, and cooperating with government audits and investigations. Contractors should review their policies and procedures to verify that these types of provisions are in place and being communicated to employees and managers.

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