

Retired U.S. admirals advise Australia on deal for nuclear submarines

Craig Whitlock, Nate Jones : 28-36 minutes : 18/10/2022

Two retired U.S. admirals and three former U.S. Navy civilian leaders are playing critical but secretive roles as paid advisers to the government of Australia during its negotiations to acquire top-secret nuclear submarine technology from the United States and Britain.

The Americans are among a group of former U.S. Navy officials whom the Australian government has hired as high-dollar consultants to help transform its fleet of ships and submarines, receiving contracts worth as much as \$800,000 a person, documents show.

All told, six retired U.S. admirals have worked for the Australian government since 2015, including one who served for two years as Australia's deputy secretary of defense. In addition, a former U.S. secretary of the Navy has been a paid adviser to three successive Australian prime ministers.

A Washington Post investigation found that the former U.S. Navy officials have benefited financially from a tangle of overlapping interests in their work for a longtime ally of the United States. Some of the retired admirals have worked for the Australian government while simultaneously consulting for U.S. shipbuilders and the U.S. Navy, including on classified programs.

One of the six retired U.S. admirals had to resign this year as a part-time submarine consultant to the Australian government because of a potential conflict of interest over his full-time job as board chairman of a U.S. company that builds nuclear-powered subs.

Australia has leaned heavily on former U.S. Navy leaders for advice during its years-long push to upgrade its submarine fleet, a seesaw effort that has rattled long-standing alliances and remains beset by uncertainty. After abruptly canceling a pact with France last year, Australia is now trying to finalize a deal with the United States and Britain to build a fleet of nuclear-powered submarines that could cost an estimated \$72 billion to \$106 billion, when adjusted for inflation over the length of the program.

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¹ In December 2021, the Australian Strategic Policy Institute [published a report](#) estimating that building eight submarines the size of the U.S. Navy's Virginia-class subs could cost as much as 171 billion Australian dollars, the equivalent of 106 billion U.S. dollars at today's exchange rates.

The outcome will have global ramifications and could alter the military balance of power among the United States, its allies and China. Helping the Australians build nuclear-powered submarines would enhance U.S. national security in Asia overall but could strain U.S. shipyards and delay the Pentagon's own plans to add more subs to its fleet, according to U.S. military officials and defense analysts.

The Australian government has kept details of the Americans' advice confidential. The Post was forced to sue the U.S. Navy and State Department under the Freedom of Information Act (FOIA) to obtain documents that shed light on the admirals' involvement.

Under federal law, retired U.S. military personnel as well as reservists must obtain approval from the Pentagon and the State Department before they can accept money or jobs from foreign powers. The law applies to retirees — generally those who served at least 20 years in uniform — because they can be recalled to active duty. Records show that each of the six retired admirals followed the rules and received U.S. authorization to work for the government of Australia.

Between 2015 and 2021, the Navy received 95 applications from retirees to work for foreign governments — and approved every one, according to the documents that The Post obtained under FOIA. Government lawyers fought the release of the records, arguing that they were of little public interest and that disclosing basic details would violate the retirees' privacy.

For three of the retired admirals on Australia's payroll, the U.S. Navy spent less than a week reviewing their paperwork before granting permission, the documents show. Two of the admirals applied to work for the Australians within one month of their retirement from the military.

Officials at the White House and the U.S. Navy declined to comment for this article.

Compared with the U.S. Navy, which has about 290 deployable ships and submarines, Australia's fleet is small, with only 43 vessels. But Australia's strategic importance looms large because of its proximity to the Indian and Pacific oceans, as well as the world's busiest shipping lanes, near the contested waters of the South China Sea.

If Australia acquires nuclear subs, it will become the seventh country to do so. With only 26 million people, Australia would be by far the least populous member of the club.

To an extraordinary degree in recent years, Australia has relied on high-priced American consultants to decide which ships and submarines to buy and how to manage strategic acquisition projects. In addition to the six retired U.S. admirals, the government of Australia has hired three former civilian U.S. Navy leaders and three U.S. shipbuilding executives.

Since 2015, those Americans have received consulting deals worth about \$10 million combined, according to Australian contracting records posted online.

The six retired U.S. admirals who have worked for the Australian government declined to be interviewed or did not respond to requests for comment.

Some Australian lawmakers and defense analysts have expressed doubts about whether the U.S. consultants have been worth the expense. The Americans' recommendations have influenced a series of ill-fated decisions by Australian officials that could delay the arrival of any new submarines until 2040, almost a decade later than planned.

"We were paying a lot of money [for advice] and it wasn't obvious to me that we were getting value for money," said Rex Patrick, a former member of the Australian Senate who has criticized the government's submarine acquisition plans.

\$6.8 million for advice on an aging fleet

In September 2021, after years of futile attempts to replace its aging fleet of six submarines, the government of Australia announced two decisions that surprised the world.

First, it abruptly canceled a long-standing \$66 billion agreement to buy a dozen French diesel-powered subs. Then it revealed it had reached a historic accord instead to acquire nuclear propulsion technology for submarines from the United States and Britain.

The decision to abandon the diesel-powered subs infuriated the French. Foreign Minister Jean-Yves Le Drian called it “incomprehensible” and accused the Australians of “a stab in the back.” The French government temporarily recalled its ambassadors to Canberra and Washington in protest, blaming both allies for keeping it in the dark about the nuclear deal.

The nuclear pact also angered China, which saw it as a U.S.-inspired attempt to counter its rising military influence in Asia and the Pacific. The Chinese Foreign Ministry warned Australia to “prepare for the worst” while the state-run Global Times ripped the United States for “losing its mind trying to rally its allies against China.”

The nuclear agreement did not mention China by name, but it was undoubtedly aimed at Beijing. China has amassed an arsenal of long-range missiles that can target aircraft carriers and other warships from thousands of miles away. Nuclear-powered submarines, however, are extremely difficult to detect and can remain underwater for several months at a time.

Under the accord, Australia would become the only country besides Britain to acquire top-secret nuclear propulsion technology from the United States. Australia’s nuclear-powered subs would carry conventional weapons, not nuclear warheads. But they would move faster, stay submerged longer and have far greater range than the French-designed diesel-electric boats, enabling them to linger off China’s coastline.

Australia’s agreement with the United States and Britain, however, was long on promises and short on specifics. The three countries are still negotiating basic details, including which type of attack submarines Australia will purchase — either Virginia-class American subs or Astute-class British models — and how much they will cost. Confidential talks are scheduled to last until March.

As Australia negotiates with the United States, it is paying for expert advice from two people who once served in American uniforms: retired U.S. admirals William Hilarides and Thomas Eccles.

William Hilarides

Member, Burdeshaw Associates / **Australian Naval Shipbuilding Advisory Board**

Member, Burdeshaw Associates / **Australian Naval Shipbuilding Expert Advisory Panel**

- Commander, Naval Sea Systems Command, 2013-2016
- Program executive officer for submarines, U.S. Navy, 2005-2010

Hilarides, 63, a vice admiral, serves as chairman of Australia's Naval Shipbuilding Expert Advisory Panel. A graduate of the U.S. Naval Academy, in Annapolis, he commanded the USS Key West, a Los Angeles-class nuclear-powered attack submarine, and led the Naval Sea Systems Command, overseeing 80,000 civilian and military personnel who build, buy and maintain vessels for the fleet.

Hilarides applied for federal permission to consult for the Australians in October 2016, two months after he retired from the Navy. At the time of his application, Australia was looking for advice on how to extend the life of its six Collins-class conventional submarines and other shipbuilding programs, not a potential nuclear pact with the United States.

U.S. Navy officials authorized his application within five days and forwarded it to the State Department, which gave final approval 10 weeks later, documents show.

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² Hilarides also previously served as the U.S. Navy's program executive officer for submarines. He wrote in his application that he would travel to Australia every other month. [Read the documents.](#)

In his application, Hilarides said he would be paid through a contract between the Australian government and Burdeshaw Associates, a consulting firm based in Fairfax City, Va.

U.S. Navy officials redacted details of his compensation, citing privacy concerns. But records posted online by the Australian government show that it has signed \$6.8 million worth of contracts with Burdeshaw to pay Hilarides and several other American consultants since 2015.

Hilarides declined to comment, referring questions to the Australian Department of Defense.

Australian defense officials declined an interview request, but confirmed in a statement that Hilarides, Eccles and other members of the advisory panel are providing "expert advice on the performance of the naval shipbuilding enterprise. This includes the acquisition of nuclear-powered submarines and other issues relevant to naval acquisition and sustainment."

Hilarides has also consulted for another foreign client. In 2017, he received federal permission to advise Fincantieri Marine Group LLC, a Wisconsin shipyard company that is majority-owned by the government of Italy, on proposals to sell frigates to the U.S. Navy, documents show.

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An online [bio](#) for Hilarides says he also serves on the advisory board for "a highly classified U.S. government program," but gives no further details.

Also on the Australian advisory panel is Eccles, 63, a rear admiral who retired from the Navy in 2013. The holder of four degrees from MIT, Eccles served as the Navy's chief engineer for ships, submarines and aircraft carriers for five years.

LEFT: Vice Adm. William Hilarides in an office at the Navy Yard in D.C. in early 2015. He retired from the Navy in 2016. (Bill O'Leary/The Washington Post) RIGHT: Rear Adm. Thomas Eccles shakes hands with Assistant Navy Secretary Sean Stackley after receiving an award in 2013 at the Pentagon. Eccles retired that year. (Mass Communication Spec. 2nd Class Todd Frantom/U.S. Navy)

Like Hilarides, Eccles applied for federal permission to consult for Australia in 2016. The Navy authorized his request within four days, and the State Department granted final approval one month after that.

The Navy redacted details of Eccles's compensation. But Australian government records show that he has received four separate consulting contracts since 2016, valued at a total of \$825,000, including expenses.

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⁴ All figures in U.S. dollars at current exchange rates. Eccles also serves as the chief executive officer of Trident Maritime Systems LLC, a shipbuilding advisory firm. [Read his application to work for Australia.](#)

"In all cases of work for the Commonwealth of Australia I sought and received in advance the appropriate permissions," Eccles said in an email. He declined to comment further.

Thomas Eccles

Member / **Australian Naval Shipbuilding Advisory Board**

Member / **Australian Naval Shipbuilding Expert Advisory Panel**

- Chief engineer for ships and submarines, U.S. Navy, 2008-2013
- Deputy commander, Naval Sea Systems Command, 2006-2008

Four of the six members on the advisory panel are Americans. Besides Hilarides and Eccles, the other Americans are Gloria L. Valdez, a former deputy assistant secretary of the Navy responsible for shipbuilding, and Howard Fireman, a ship design expert who worked for the Navy.

Valdez and Fireman both served the Navy as civilians. Unlike military retirees, they are not required to obtain federal approval to work for foreign governments. They are both paid by Burdeshaw, according to Australian officials. Valdez declined to comment. Fireman did not respond to a request for comment.

'I wouldn't trust them to build a canoe'

The influx of American shipbuilding consultants in Australia began eight years ago.

In 2014, Australian defense officials were in the market for independent advice on acquiring navy frigates. They offered a short-term, \$84,000 consulting contract to Donald Winter, an engineer with a doctorate in physics who served as the U.S. secretary of the Navy during the George W. Bush administration.

Winter's consulting contract lasted only a few weeks, Australian records show, but officials there liked his work. In June 2015, then-Defense Minister Kevin Andrews appointed him to lead a panel overseeing a competitive evaluation process for proposals to build a new submarine fleet. Winter was paid through a contract with Burdeshaw Associates worth \$518,456 over two years.

The Australian government had been discussing options for new submarines since 2009, when it announced its intent to buy 12 diesel-electric boats to replace and upgrade its collection of six Swedish-designed Collins-class subs.

But Australia had a mixed track record with submarines. Officials had little confidence that ASC Pty Ltd., a government-owned shipbuilder formerly known as the Australian Submarine Corporation, could design and construct a new fleet without foreign help. "I wouldn't trust them to build a canoe," then-Defense Minister David Johnston declared in 2014.

ASC officials defended their record. "ASC has been recognised for its exemplar performance," Bruce Carter, ASC's board chairman, said in a statement. The company maintains the Collins-class subs and has also built air-warfare destroyers for the Australian navy.

Based on advice from Winter's panel of experts, the Australian government announced in 2015 that it had narrowed its options to three submarine models offered by France, Germany and Japan. Australian officials stipulated that the vessels would have to be built in ASC's shipyard in Adelaide to support the domestic economy.

Worried that they lacked sufficient expertise to manage a complex sub-building project, Australian officials decided to hire more outside help. The United States was a prime source: Its Navy boasted the biggest and most capable submarine fleet in the world.

In the summer of 2015, Australian recruiters targeted a U.S. rear admiral, Stephen E. Johnson, a previous commander of the Navy's undersea warfare center who was about to retire. Even though Johnson was a foreign citizen, the Australian Defense Department offered him a senior government position as its general manager for submarines.

In July 2015, a few weeks after his retirement from the Navy, Johnson submitted papers seeking federal permission to take the Australian job. The Navy and State Department approved his request several weeks

later, and he began working for the Australians that November. He did not respond to messages seeking comment.

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⁵ Johnson was specifically tasked with helping to choose a new submarine model to replace the Collins-class subs. [Read his application.](#)

About the same time, the Australians recruited another American: Paul E. Sullivan, a retired vice admiral who, like Hilarides, had once headed the Navy's giant Sea Systems Command.

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Sullivan already had a full-time job in retirement as director of the Applied Research Laboratory at Pennsylvania State University, a national-security lab that conducts sensitive research projects for the Navy valued at hundreds of millions of dollars.

But Sullivan applied for — and within six weeks received — permission from the Navy and State Department to work on the side as a submarine consultant for the Australian Defense Department. Australian government records show he received contracts worth \$414,228 over the next four years.

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⁶ Sullivan made clear in his application that he would continue to lead the Penn State lab while working for the Australian government. He also said he was obtaining separate permission from the university. [Read his file.](#)

At first, the American advice seemed to pay off for Australia. In April 2016, the Australian government announced that it had chosen a French consortium to produce 12 Shortfin Barracuda submarines for an estimated \$38.5 billion. The conventionally powered subs would be French-designed but built at Australia's shipyard in Adelaide.

Then-Prime Minister Malcolm Turnbull emphasized that the decision was endorsed by Winter, the former U.S. Navy secretary, and his expert panel.

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⁷ Turnbull made a point of saying that the American consultants had blessed the deal with the French, singling out Winter, Johnson, Sullivan and Eccles by name in a press [release](#).

Under the plan with the French, construction would begin around 2022 and the first new submarine would go into service around 2032 — just in time to replace the Collins-class subs before they were scheduled to be mothballed.

Australia's shipbuilding strategy seemed like it was finally on track. Johnson, the retired U.S. admiral serving as Australia's general manager for submarines, soon received a big promotion. He was named Australia's deputy secretary of defense, an unusual job for a foreign citizen.

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⁸ In his new role, Johnson oversaw Australia's entire naval shipbuilding program. [Read his application.](#)

Post Reports:

The retired military cashing in with repressive governments

A new Washington Post investigation has uncovered the fact that hundreds of veterans have taken lucrative foreign jobs — often for countries with known human rights abuses. U.S. officials approved these contracts — but fought to keep them secret.

Permission to cash in

Meanwhile, the Australian government snapped up other American consultants and contractors.

In 2016, Johnson recruited a fellow retired U.S. admiral, Kirkland Donald. A four-star officer, Donald served for eight years in one of the most important uniformed jobs in the Navy, as its director of Naval Nuclear Propulsion, overseeing nuclear-powered submarines and aircraft carriers.

The Australian Defense Department wanted Donald's advice on whether the expected life span of the Collins-class submarines could be extended beyond 2032 in case the French subs were not delivered in time. After a six-week review, Navy and State Department officials approved his consulting arrangement in July 2016 and the Australian government awarded him a two-year contract worth about \$255,000, records show.

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⁹ In his U.S. Navy application, Donald said he would be compensated “through an ‘eminent persons’ contract.” [Read his file.](#)

Donald declined to be interviewed. In a written response to questions, he said he “appreciated the opportunity to work with one of our most trusted allies to improve overall submarine capability in the vitally important and increasingly contested” Pacific Ocean. He noted that the U.S. Navy and Australian navy have “deeply shared national security interests” that are “particularly aligned for submarine capability.”

As Donald's contract was approved, another U.S. admiral applied for federal permission to consult with the Australian navy on its “future frigate” program, documents show.

David Gale, a rear admiral, was on active duty when he submitted his paperwork to work for the Australians. He received final approval on Aug. 10, 2016, about six weeks before his last day on the job with the Navy.

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¹⁰ Gale also reported that the Australian government would pay him via an “eminent person” consulting contract. [Read his application.](#)

LEFT: Navy Secretary Donald Winter, right, receives a model of the Virginia-class submarine USS Hawaii from Adm. Kirkland Donald, director of Naval Nuclear Propulsion, in January 2008. (Mass Communication Spec. 2nd Class Kevin S. O'Brien/U.S. Navy) RIGHT: Rear Adm. David Gale, the Navy's program executive officer for ships, tours the USS America, an amphibious assault vessel, in November 2015. He retired about a year later. (Mass Communication Spec. 3rd Class William Berksteiner/U.S. Navy)

The Australians awarded Gale's Virginia-based consulting firm, Form One Inc., an 18-month contract worth about \$222,000, Australian government records show. Gale did not respond to requests for comment.

By then, more retired Navy officers were lining up for federal permission to cash in on work for the Australian government.

Gunter Braun, a retired Navy captain, accepted a \$140,000 job to work as a submarine program manager. He declined to comment. “Not interested,” he said in an email.

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¹¹ Braun worked for the Australian navy on a contract via Equator Corp. His job was to help extend the life cycle of the Collins-class subs. [Read his application.](#)

Vernon Hutton, another retired Navy captain, took an Australian Defense Department post in Adelaide as the technical director for future submarine combat systems, also earning about \$140,000 annually, documents show. He did not respond to messages seeking comment.

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¹² Hutton served for 28 years in the U.S. Navy as a submarine officer. He worked for the Australian government on a contract via AECOM Inc., a U.S. company. [Read his application.](#)

The Australian government created additional naval advisory committees — and stocked them with Americans.

In October 2016, Australian officials announced a new Naval Shipbuilding Advisory Board with Winter, the former Navy secretary, serving as the chairman. He was joined by three retired admirals: Eccles, Hilarides and Sullivan.

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¹³ When he sought federal approval to serve on the board, Sullivan wrote that “payment terms have not been discussed” but that he would receive “some reasonable consulting compensation.” [Read his application.](#)

The next year, the Australian government launched a Submarine Advisory Committee. Among the members: Donald, the retired four-star admiral, who received a second consulting contract, worth about \$420,000.

Lesley Seebeck, an Australian defense expert who served on the Naval Shipbuilding Advisory Board in 2019 and 2020, said the panel had no decision-making authority and met only periodically. But she said the former U.S. Navy leaders provided invaluable guidance on how to manage big, complicated shipbuilding programs. "I think it was highly beneficial to the government," she added.

Others questioned whether the Americans carried too much influence and too narrow a view.

Marcus Hellyer, a senior defense analyst with the Australian Strategic Policy Institute, a nonpartisan think tank based in Canberra, said the advisory panels could have used more European perspectives to balance out those of the Americans. Unlike the U.S. Navy, he noted, the Australian navy does not design its own ships from scratch and is accustomed to relying on foreign models.

"It's a very different kettle of fish to the U.S. system," he said.

A carousel of consultants

By 2019, Australia's landmark submarine deal with France appeared to be in jeopardy. Delays plagued the design phase. Projected costs rose. Doubts spread about whether the Shortfin Barracudas, which the Australians dubbed their Attack class of subs, would be capable of deterring China's more imposing undersea fleet.

The American carousel of hired help continued to spin. Sullivan, the retired vice admiral, left the shipbuilding advisory board in 2019. That same year, Johnson resigned as Australia's deputy defense secretary. But the Australian government added three more U.S. civilian consultants to its advisory panels.

Australian lawmakers grew impatient with the submarine program's delays and irritated by the Australian government's unwillingness to let its highly paid U.S. advisers answer questions.

Hellyer, the defense analyst, noted that because the advisory groups worked behind closed doors, their work product was never made public. "There were questions about how thorough and robust their analysis was and what the government was getting in return for these large amounts of money," he said.

Under pressure to be more forthcoming, Winter, the former U.S. Navy secretary, issued a rare public statement in May 2020 defending the work of the National Shipbuilding Advisory Board.

He praised the progress of Australia's overall shipbuilding program, saying it "has been swift, substantial and extremely impressive. There is much to be proud of and celebrate." But he insisted the board's deliberations and recommendations had to remain confidential, or else "significant commercial and national security harm could result."

Seven months later, the Australian government shuffled its roster of naval consultants again, abolishing Winter's shipbuilding advisory board and replacing it with a smaller but similarly named panel of experts, most of them Americans.

Winter moved higher up the Australian government ladder into another, more influential role as a special adviser to then-Prime Minister Scott Morrison. Hilarides, the retired U.S. vice admiral, was appointed chairman of the new advisory panel.

'It's confidential'

In June 2021, worried about the fate of the submarine agreement with France, the Australian Senate insisted on hearing directly from Hilarides and senior Australian defense officials.

Lawmakers wanted answers: Had the American consultants urged the Australian government to consider modifying, or even killing, the Attack-class submarine deal?

Testifying remotely from the United States, Hilarides was as tight-lipped as Winter had been.

"Because that advice is used to support government decision-making, it's confidential," Hilarides said.

Three months later, the Australian government canceled the submarine contract with the French. It also announced a new three-way defense alliance with the United States and Britain, including an agreement to admit Australia to the exclusive club of nations with nuclear-powered submarines.

Only four other countries — China, Russia, France and India — operate nuclear subs. Brazil is trying to develop nuclear reactors for submarines, but its progress has been slow.

Left undecided was whether Australia would buy U.S. or British nuclear subs, and where they would be built. But defense analysts predicted the United States would probably win out.

Australian lawmakers soon began to raise questions about the American consultants and their connections to the U.S. submarine industry.

Donald, the retired four-star admiral on Australia's Submarine Advisory Committee, has also served as chairman of the board of Huntington Ingalls Industries since 2020. The defense contractor, based in Newport News, Va., is the maker of Virginia-class submarines, the same model that the government of Australia was now thinking about buying.

At a parliamentary hearing in October 2021, a senior Australian defense official acknowledged that Donald's role with Huntington presented a potential conflict of interest. But the official said the Australian government and Donald hadn't yet decided if it was necessary for him to resign as a consultant.

Donald remained on the committee for six more months. In his written response to questions, Donald said he resigned in April to avoid any conflicts after "it became evident" his committee "would need to become involved in providing independent critical assessment" on acquiring nuclear-powered subs.

But Australia is still paying other Americans for advice on how to negotiate with the U.S. government.

Winter, the former U.S. Navy secretary, registered with the U.S. Justice Department in September 2021 as a foreign lobbyist working for the Australian prime minister's office. In his disclosure form, Winter said he

would be paid \$6,000 a day, plus expenses, to support Australia during its nuclear submarine talks with Washington.

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In April, Winter filed an updated lobbying report, indicating that business had been light. He said he had received \$62,563 in consulting fees over the preceding six months from the Australian government but had not been asked to lobby any U.S. officials on Canberra's behalf.

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U.S., British and Australian officials say they expect to iron out details of their submarine pact by next March.

While the Australian government says it wants to build as many nuclear submarines as possible in Adelaide, defense analysts say it would take decades to develop a homegrown workforce capable of doing so.

Australia has almost no experience with nuclear power. The country has no nuclear power plants, save for a single hospital that operates a tiny reactor for research purposes.

Instead, experts said, Australia will almost certainly have to buy its first nuclear subs off American or British production lines.

U.S. Navy and British Royal Navy officials, however, say their shipyards are booked solid making their own submarines. The only way to squeeze in orders from Australia would be to spend billions expanding U.S. or British shipyards.

Hellyer, the Australian defense analyst, said it is hard to envision a scenario under which Australia would receive its first nuclear submarine before 2040. With the Collins-class vessels scheduled for retirement a decade from now, that could leave Australia without submarines for eight years.

"I can't really see what the way forward is at the moment," he said. "The whole thing has been completely disastrous."