**Ranger for Life Seminar Security Contractor**

**Security contracting; much more than Private Military Companies**

As a Ranger you may be considering the world of PMCs. With the end of Afghanistan PMCs have sharply reduced their footprint but they are still out there. But the world of security contracting is much more than PMCs.

* **PMCs.** Legal considerations, who do they work for. Tends to be exclusive, they hire people they know or from units they served with. Usually works for the government.
* **Security Companies.** Armed and unarmed. Defensive, not offensive. Clearances matter. Law enforcement background more attractive than military in most cases due to legal considerations.
* **Security Assessment and Analysis.** Formats and processes are important, learn them, but real-world experience counts if you can speak their tech language.
* **Training and Equipment.** Firearms manufacturers, outdoor and sports clothing and equipment, tactical training companies. But you need to understand how the business world works and understanding sales and marketing is key to success.

Find your niche and take whatever job you can get with a successful business that has a good reputation and learn the business. Be careful in your selection. Your reputation and the reputation of the company you work for will follow you.

Contracting is not a permanent position. The job can go away if the company loses the contract or the contract is not renewed. Always keep looking at other options within the company where you are currently employed or a new company, don’t be afraid to move if a better opportunity emerges. But don’t change too often. If you sign for a year serve that year, if its indefinite stay at least one year, two is better. Employers watch for “contract hoppers” and avoid hiring them. It’s an indicator of a problem employee or one who won’t stay for long.

**Stateside or overseas or both?**

Overseas work can be lucrative but there are risks, and you may not have the medical and professional safety net to fall back on you had in the military. Prepare yourself to work both overseas and in the US to benefit from the rewards in both environments.

* Stateside is usually (but not always) more predictable but less lucrative. Normally salary is higher in high-cost areas but all living expenses are on you. Consider what it costs to live in DC if you are offered a good paying job there.
* Overseas usually (but not always) includes food, shelter and medical care. Quality of all three varies greatly. If you decide the job’s not for you, you may be required to pay the company back for your deployment costs if you quit before the end of your contract term.
* Contracts come and go, especially overseas contracts. If it’s a big company they may (or may not) be able to place you in another contract when the one you are on ends or doesn’t win renewal. If you are overseas always keep looking at stateside jobs. Sooner or later you will want to come home. Plan ahead and save your money so you have options if something unexpected happens.
* Security clearance is usually required for any job worth having. Minimum secret, TS/SCI for the better jobs.

**Salary, Taxes and Benefits**

Be aware of the requirements and advantages before you decide.

* A portion of salary earned overseas can be tax free if you meet the exclusion requirements. If you are told that you “don’t have to pay any taxes” on your salary, don’t take the job. That’s not true and they are setting you up for serious problems. <https://www.irs.gov/individuals/international-taxpayers/foreign-earned-income-exclusion-bona-fide-residence-test>
* High pay usually equals high risk or cost of living at the job site. High risk areas overseas pay well, but consider what medical support you have if wounded, and what your medical expenses will be for treatment if evacuated. Government contracts have specified hourly rates for specific job positions. Find the job title you are being hired for and lookup the authorized pay rate on the GS Schedule. <https://www.dol.gov/general/topic/wages/govtcontracts>

<https://buy.gsa.gov/pricing/>

* Don’t expect to get the GSA rate for the position. The GSA rate is what the government will pay the company. The company normally takes 10% profit, anywhere from 5-19% G&A (overhead costs) and if you have a medical, life insurance and other benefits package, another 30% or more off the labor rate to support that. They will usually give a new hire 10-15% below that number but offer you a raise each year you stay on.
* Government contract jobs are governed by government contractor regulations. Civilian contact jobs are governed by Department of Labor rules that are much more general. If you are working for a foreign company, you are not covered by any US laws or regulations other than the ones that require you to pay taxes on what you earn.
* If you work overseas on US government contracts, you may be told you are an employee or an independent contractor. Basically, if you are an employee you must report to a location your employer dictates each day and perform a specified job the way they direct during the time frame they direct each day. If you are an independent contractor your employer gives you a specific task they want accomplished by a specific time and to a specific standard, but you decide how you do it. Employees have a portion of their Federal withholding taxes for FICA and Medicare paid by the employer and if you are overseas your employer is normally responsible for medical, lodging and food. If you are an independent contractor, the employer is not responsible for any of these things. Sometimes contracting companies will try to tell you that you are an independent contractor to boost their profits but they are working you and charging the government for your work as an employee. <https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>
* If you are an employee there will often be a 401K or other pension plan provided where you contribute part of your salary and the employer contributes a matching amount. It’s smart to participate since you wont get the matching amount if you don’t. It also helps with your tax exposure since 401K and matching funds are not taxable as income now. You will pay income taxes when you withdraw funds later during retirement but you will usually be in a much lower overall tax bracket.
* If you are an independent contractor or your employer doesn’t offer a pension or a 401k, you can contribute to a Simplified Employee Pension plan or SEP. Basically you can contribute 25% or $66,000 in 2023 (it changes every year), whichever is less, from earned income tax liability. Combining this with the Earned Income Overseas Exclusion is how you can legitimately avoid paying taxes on most of that big salary. The rules tend to change every year, so get a good accountant to keep you legal and follow the rules.

<https://www.irs.gov/retirement-plans/plan-sponsor/simplified-employee-pension-plan-sep>

**Additional Tips**

1. Need to understand Military (SF-Rangers- SEALS) is a great place to start but not a guarantee for success.  If you want to work in PMC type of companies, basically guys with guns doing special things in dangerous places, understand that they have their own selection and assessment process. Normally, they hire people they know or who are recommended by people they know. Most of their people come from Tier 1 units. There are companies who hire below that level but consider who you will be working with and for. If that’s your goal, you are better off staying in and going to Delta selection or networking with someone working in one of those companies.

2. Mission Analysis and Mission Planning. Learn how to develop Policies, SOPs, Training Programs etc. It’s not enough to be a good shooter. You need to be able to recruit, train, lead, equip and sustain good shooters to make it in contracting.

3. Learn Project Management. Project Management includes scheduling of diverse elements that build on one another and ensuring everything is ready on time to take the next step. Recruiting, ordering materials, training, transportation, licensing, etc. Learn to use the available tools that fit your requirements.

<https://asana.com/resources/best-project-management-software>

<https://www.microsoft.com/en-us/microsoft-365/project/project-management-software>

4. Learn the Threat, Vulnerability and Security Risk Assessment Process.  This leads into developing security designs and security plans (refer back to 3)

<https://www.sandia.gov/research/publications/search/?pub_s=Risk+and+threat+assessment>

<https://www.fema.gov/emergency-managers/national-preparedness/goal/risk-capability-assessment>

5. Develop cultural awareness and patience. Language skills are a major addition to your tool kit and self marketing.

6. Become an asset and problem solver to any organization (not limited to security).

7. Training, education and experience rule the world. Association, (ASIS-OSAC-etc) Certification builds reputation.  Understand how training and certification works. Many government jobs require government certification to get the job.

<https://www.asisonline.org/>

<https://www.osac.gov/>

<https://training.fema.gov/nims/>

<https://www.cisa.gov/critical-infrastructure-training>

8. Don't use stupid personal e-mail addresses. ie: yahoo, gmail, hotmail. Don’t be surprised if you don’t get replies to 1hatework@yahoo.com. Try Proton mail, it’s free and more secure and use a professional sounding personal address. <https://protonmail.com>

9.  Write your own CV or ask for successful examples from real people. Don't plagiarize.

10.  Start from the bottom up and do the hard work and dont try to be a CEO of your own Security Company without the relevant experience.

11. Consider the Cyber Security world. (High demand).

12. Aviation Security IATA-ICAO up to the PM Level. <https://simpleflying.com/iata-vs-icao-whats-the-difference>

13. Start networking with everyone possible 6 months out or more.

14. Maritime security is another potential employment opportunity. Learn port and harbor security regulations, on board security. This relates directly to the Oil and Gas industry, since most of their facilities are serviced by ships and barges.

<https://www.dco.uscg.mil/NVIC/#:~:text=A%20Navigation%20and%20Vessel%20Inspection%20Circular%20%28NVIC%29%20provides,marine%20safety%20regulations%20and%20USCG%20marine%20safety%20policies>