

PART I

Ideas for Making America Safer and Stronger

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“A Heckuva Job”

Politicizing the Government

The American public witnessed the worst display of U.S. governmental failure in our lifetimes when Hurricane Katrina ravaged New Orleans and the surrounding region in late August and September 2005. The most comprehensive report documenting what went wrong, produced by the Senate Committee on Homeland Security and Governmental Affairs, weighs in at 732 pages and conveys a relentless succession of miscalculations, managerial negligence, turf battles, ignored warnings, dysfunctional communication, and sheer ineptitude at all levels of government.¹ Those screwups produced agonizing farce amid the tragedy: evacuation buses sitting in lots within a few hundred miles of the flooded region; Secretary of the Department of Homeland Security (DHS) Michael Chertoff learning from a radio reporter for the first time about thousands of people trapped without food and water in the Ernest Morial Convention Center; an aide to Federal Emergency Management Agency (FEMA) Director Michael Brown insisting that he be allowed to enjoy a leisurely restaurant dinner during the height of the crisis; President George W. Bush’s non sequitur, “Brownie, you’re doing a heckuva job”; police officers abandoning their duty; ice-delivery trucks roaming to Maryland, Idaho, and Maine rather than the Gulf Coast; thousands of mobile homes intended as temporary housing sitting empty in the middle of nowhere; and on and on.

The reasons for the failures are manifold and complex, not the least of which was a storm so overwhelming that human beings had no chance of completely defeating it. Still, the past governmental

response to many other natural disasters, as well as to the Oklahoma City bombing, has been far more effective. Honing in on the particular strand of the Katrina tragedy related to the managerial history of FEMA—since 1979 the lead national office responsible for preparing for and responding to major calamities—reveals a great deal about why the conservative movement’s arguments about public leadership, bureaucracies, and civil servants are fundamentally wrong. Everyone by now knows that FEMA director Brown, whose most significant prior job had been as a commissioner of the International Arabian Horse Association (a position he was forced to leave), had no emergency-management experience and conforms to all the conventional definitions of an old-fashioned political crony. But there’s far more to the story than one unfortunate political appointment at an inopportune moment. The politicization that contributed to FEMA’s failures occurred throughout the executive branch under Bush in accordance with conservative ideology, with comparably harmful, if less visible, consequences for the American public.

Bull’s-Eye on the Bureaucrat

In the weeks immediately preceding and following George W. Bush’s first inauguration, the Heritage Foundation issued a flurry of reports, briefs, and op-eds with titles like “Taking Charge of Federal Personnel,” “Why the President Should Ignore Calls to Reduce the Number of Political Appointees,” and “Keep ’em Coming: In Defense of Political Appointees.” The thrust of the Heritage argument was that an ample supply of officials appointed by the president at the top levels of federal agencies is essential to ensure that his goals will be carried out in the face of resistance from the career civil service.

In a *Washington Times* op-ed on January 16, 2001, Heritage director of domestic policy studies Robert Moffit wrote:

Having the right number of political appointees is crucial to every president’s success. He can’t fulfill his mandate alone or with only a handful of staffers in the West Wing. Nor can his Cabinet implement his policies without a cadre of like-minded, personally committed appointees within the agencies. This is especially true in today’s political climate with a narrowly divided Congress provid-

ing a perfect excuse for those who merely want to perpetuate the status quo.

It goes without saying that Heritage engaged in no such advocacy upon the occasion of either of Bill Clinton’s inaugurals. (Heritage remained opposed to proposals to limit presidential appointments during the Clinton administration, though, noting that when Republicans returned to the White House they would want the flexibility to hire their own people.) But the right’s call for greater reliance on political appointees after Bush’s election was consistent with an extensive body of public administration research and argumentation emanating for many years from conservative outposts, all in one way or another targeted at career government employees and the unions representing them. The intellectual foundation undergirding much of that work is the branch of economics dating back to the 1950s called “public-choice” (and its extremely close cousin “rational-choice”) theory, which attempts to explain the motivations and behavior of government workers, politicians, voters, and lobbyists as analogous to consumers and producers in the marketplace who are driven, the theory goes, entirely—or at least predominantly—by self-interest.

Public-choice models invariably show government employees behaving in ways that are unconnected or opposed to the broader public interest. For example, one of the ways that current Cato Institute chairman William A. Niskanen first made a name for himself was by publishing a 1968 paper using public-choice theory to purportedly demonstrate that “bureaucrats” will always act to maximize their budgets.² (Niskanen neglected the possibility that motivations beyond self-interest might influence the behavior of government officials, including, as the economist Anthony Downs has emphasized, pride in performance, loyalty to a program, and a wish to best serve their fellow citizens.) The lowest rungs of the civil service ladder also fare poorly under the public-choice framework, due to the so-called principal-agent problem. Because managers cannot perfectly and costlessly monitor the activities of line staff who are layers below in the bureaucracy, the theory goes, civil servants will invariably goof off on the job, subvert the intentions of policymakers, and even steal.

For many years the right has drawn on public-choice arguments as the basis for claiming that systematic approaches need to be pursued to weaken or bypass civil servants. In addition to making career

government workers more submissive to political appointees (preferably conservative ones), the right has devoted abundant energy at all levels of government to pushing for privatization and contracting out of government services, weakening civil service employment protections, and diminishing the capacity of public employees to impose and monitor regulations. Public choice's theoretical claims about the shortcomings of government workers, buttressed by elaborate economic equations beyond the comprehension of most journalists and average citizens, were used by the conservative movement as justifications for replacing the public sector in one way or another with private, competitive markets. The costs and risks associated with making those transitions usually receive short shrift, at best, in public-choice literature.

Historically, the two presidencies most closely associated with the politicization of government agencies were the administrations of Republicans Richard Nixon and Ronald Reagan.³ Nixon was suspicious of civil servants, most of whom joined the government under Democrats John F. Kennedy and Lyndon B. Johnson as it expanded to take on tasks of little interest to him. Viewing government workers as disloyal bureaucrats tied to patrons in Congress, agency clienteles, and interest groups, Nixon pursued a variety of tactics to gain greater control of executive branch departments. After his initial attempts to strengthen the policy clout of the White House and reorganize agencies largely failed, in his second term he replaced existing appointees with loyalists while inserting more of his own people deep into departments and bureaus. In the process, he relied on what was called "Malek's Manual," named after Office of Management and Budget (OMB) official Fred Malek, which detailed a variety of elaborate techniques for side-stepping civil service laws and replacing unwanted careerists.

Similarly, Reagan believed that environmental and social welfare agencies were mainly populated with Democrats far more loyal to the programs they were managing than to the White House. Thus he, too, distributed more political allies throughout the government so that by 1986–1987, both appointees and civil servants were more Republican and conservative than in 1970.⁴ The Princeton University political scientist David E. Lewis notes that the Reagan administration was especially effective in using reorganizations and reductions in force as ways of downgrading the pay and the responsibilities of career civil servants, increasing their rates of attrition.

Democrat Jimmy Carter, who gained the presidency after campaigning as a Washington outsider, was also suspicious of the civil service and was responsible for the greatest post-1960 increase in political appointments when he created the so-called Senior Executive Service. So party affiliation, in and of itself, has not strictly determined in the past whether any particular president has been more likely to increase the politicization of the executive branch.

The Real Problems with Bureaucracy

The growing consensus in recent years, outside of the large, well-funded enclaves of movement conservatism, is that *less* reliance on political appointees is better for government. (Carter’s abysmal managerial record helped to clarify the issue for many Democrats.) So-called good-government reformers, including many of the dwindling number of nonideological Republicans, approach issues about public administration from the standpoint of making government more responsive, efficient, and effective without assuming that civil servants will inherently act to the detriment of those goals. Graduate and undergraduate schools of government and public policy, foundations, think tanks, advocacy groups, and public employee unions committed to the idea of good government take seriously the belief that public employees as a class have strengths as well as weaknesses. They focus on strategies for applying the knowledge and experience of the career workforce while chipping away at the rigidities that have indisputably arisen in the past. Movement conservatives, in contrast, perceive anything that undermines civil servants to be an accomplishment in its own right.

The public-management reforms pursued during the eight years of the Clinton administration were consistent with the good-government heritage. Ideas arising from Vice President Al Gore’s National Performance Review, which focused on “reinventing government,” were explicitly presented as ways to combat “creativity-stifling bureaucracy,” rather than reining in “power-hungry bureaucrats.” Paul C. Light, one of the nation’s leading public administration scholars, wrote that Clinton’s deliberate semantical shift “allowed the Clinton administration to simultaneously claim victory in the war on bureaucracy while

liberating the bureaucrats from a host of needless rules.”⁵ Under Clinton, for example, the ten-thousand-page *Federal Personnel Manual* that had previously defined human resources rules throughout the federal government was literally thrown away, and agencies were given greater flexibility to design their own performance appraisal and rewards systems. Procurement practices were overhauled and streamlined so that the past emphasis on rules, hierarchy, and system design was reoriented toward accomplishing goals in ways that gave more discretion to career civil servants.⁶ Gore also pushed for reforms, which weren’t enacted by Congress, that would have tied the pay and the bonuses of government managers more closely to performance evaluations, including to the results of customer and employee satisfaction surveys.⁷

Most nonideological observers viewed Clinton and Gore’s reinventing government reforms to be at least moderately successful steps in the right direction, though by no means a panacea. A subsequent bipartisan commission led by the former Federal Reserve chairman Paul A. Volcker, which included Republicans Kenneth M. Duberstein, Constance Horner, and Vin Weber, issued a report in early 2003 that focused on persisting problems including:

- *Organization.* A clear sense of policy direction and clarity of mission is too often lacking, undercutting efficiency and public confidence.
- *Leadership.* Too few of our most talented citizens are seeking careers in government or accepting political or judicial appointments.
- *Operations.* The difficulties federal workers encounter in just getting their jobs done have led to discouragement and low morale.⁸

The Volcker report, the latest major effort in the good-government tradition, proposed a number of recommendations, most of which would continue moving in the same basic direction as the Clinton administration. Particularly noteworthy is this one: “Congress and the President should work together to significantly reduce the number of executive branch political positions.” Diametrically opposed to the Heritage viewpoint, the bipartisan commission argued:

When a new administration takes office or a new agency head is appointed, it often seems too politically difficult, or the time horizon too short, to reshape the top ranks or to improve accountability. So more leadership posts are created to help agency heads and presidents work around old leadership posts they cannot control or remove. Compounded over the decades, this pattern has yielded a federal management structure that is top-heavy, cumbersome, and contrary to the goals of effective leadership and meaningful accountability.⁹

Following the Heritage Plan

In a March 26, 2005, article in the *National Journal* titled “By the Horns,” the reporter Paul Singer recounts calling Robert Moffit at Heritage to ask him about one of the papers he coauthored four years earlier urging President Bush to reassert managerial control of government through political appointees. “Reminded of this paper recently, [Moffit], who has moved on to other issues at Heritage, dusted off a copy and called a reporter back with a hint of rejoicing in his voice. ‘They apparently are really doing this stuff,’ he said.”

Singer’s article documented a variety of reorganizational efforts in different agencies that strengthened the leverage of politically appointed officials while weakening the discretion and influence of career civil servants, including changes at the Centers for Disease Control, the Environmental Protection Agency, NASA, and even the obscure National Resources Conservation Services—a division of the Agriculture Department. Other media reports raised concerns about politicization in the Food and Drug Administration,¹⁰ the Civil Rights Division of the Justice Department,¹¹ and the Office of Special Counsel, which is supposed to protect career service whistle-blowers who disclose waste, fraud, and abuse.¹²

The numbers support the abundant anecdotes. Princeton’s Lewis, reviewing data from the Office of Personnel Management, found that political appointments escalated during the first term of the Bush administration after declining substantially during Clinton’s eight years. From 1992 to 2000, political appointees in the federal government dropped by nearly 17 percent—from 3,423 to 2,845. From 2000

to 2004, that figure climbed back up 12.5 percent to 3,202.¹³ Similarly, the political scientist Paul C. Light found that after holding steady during most of the Clinton administration, the number of senior title holders increased by 9 percent, to 2,592, between 1998 and 2004—the vast majority of which occurred under Bush. Light also found that fourteen departments added new executive titles between 1998 and 2004. The Department of Veterans Affairs topped the list with six additional titles, followed by Defense, Education, Energy, and Justice with four, and Labor with three. Light wrote,

The fastest spreading titles continue to be “alter-ego” deputies, including chiefs of staff to secretaries, deputy secretaries, under secretaries, deputy under secretaries, assistant secretaries, deputy assistant secretaries, associate deputy assistant secretaries, associate assistant secretaries, administrators, deputy administrators, associate administrators and assistant administrators.¹⁴

Who says conservatives hate bureaucracy?

Down on the Turkey Farm

Before FEMA was born, the main orientation of the assortment of scattered federal agencies involved in preparing for disasters was the threat of a nuclear attack from the Soviet Union. Hurricanes, tornadoes, and other acts of nature were generally considered to be state and local responsibilities. But in the 1970s, several high-profile calamities led state and local governments to put pressure on Congress to get the feds to play a more active role, resulting in the Federal Disaster Relief Act of 1974. That law allowed the Defense Department’s Civil Defense Preparedness Agency (CDPA) to become “dual use” in extending its purview from potential nuclear attacks to natural disasters. Five years later, President Carter created FEMA in an elaborate reorganization that combined the CDPA with more than a hundred existing federal disaster-response programs, which collectively reported to twenty different congressional committees. The University of Virginia political scientist Patrick S. Roberts wrote about FEMA’s creation:

To appease interest groups and congressional committees, the reorganization plan transferred each program’s political appointees

to FEMA, which created isolated divisions or “stovepipes” with their own connections to Congress and interest groups but little connection to each other. One participant in the reorganization recalled that “It was like trying to make a cake by mixing the milk still in the bottle, with the flour still in the sack, with the eggs still in the carton.”¹⁵

President Reagan picked as his first FEMA director Louis O. Giuffrida, who had directed the California Specialized Training Institute, an outfit that had focused on subduing riots and student protests when Reagan was governor in the 1960s. Giuffrida, consistent with Reagan’s focus on nuclear competition with the Soviets, strived to make FEMA a player in national security as the lead agency responsible for responding to terrorist attacks, and he created an Office of National Preparedness to that end. In the process, he developed a secret contingency plan in the event of a national crisis that called for a declaration of martial law and suspension of the Constitution, with FEMA in effect taking over the country. Attorney General William French Smith put the kibosh on that idea, and in 1985 Giuffrida resigned after being the subject of a federal investigation of alleged fraud and mismanagement.¹⁶

For the rest of the Reagan administration and the presidency of George H. W. Bush, FEMA remained an ineffective amalgamation of programs pulled in competing directions by its dual civil defense and natural disaster missions. So, on the one hand, FEMA dabbled in activities such as building a secret 112,544-square-foot bunker under the Greenbrier resort in West Virginia to house Congress during a nuclear war. On the other hand, when localized or medium-size storms hit, FEMA often equivocated about whether to intervene—a persistent cause of frustration for states and localities. After bigger natural disasters struck, the agency’s response was usually slow and overly bureaucratic.¹⁷ For example, after Hurricane Hugo in 1989 caused a record \$4 billion in damage, mainly on the American Virgin Islands and in the Carolinas, stories circulated about FEMA requiring the submission of cost assessments before complying with state and local requests for generators and other desperately needed supplies. That prompted South Carolina senator Ernest Hollings to famously denounce FEMA’s staff as “a bunch of bureaucratic jackasses.”¹⁸

The lowest of FEMA’s lows came after Hurricane Andrew struck Florida, Georgia, and Louisiana in 1992. The federal response was so

disorganized that three days afterward, Dade County Director of Emergency Preparedness Kate Hall held a press conference saying, “Where the hell is the cavalry on this one? We need food. We need water. We need people. For God’s sake, where are they?” President George H. W. Bush, recognizing the political damage FEMA was inflicting on him in the midst of his reelection campaign, in effect shunted the agency aside by sending nearly twenty thousand navy, air force, and coast guard troops to take over the efforts in Florida under the leadership of Transportation Secretary Andrew Card and a group of military brass.¹⁹

By this time, FEMA’s reputation was in a shambles. One House committee underscored that the agency had become a dumping ground for political appointees, calling it “the federal turkey farm.”²⁰ The agency was featured prominently in a November 1992 *Washingtonian* magazine article titled “Perfect Places for Those Hard-to-Place Contributors.”²¹ The *Washington Post* described FEMA as “the agency that everybody loves to hate.”²² Several independent assessments were commissioned to devise reforms. The National Academy of Public Administration (NAPA)—the ultimate embodiment of a “good-government” institution—produced the most influential report. It broached the possibility of a “death penalty” for FEMA but settled on the idea that “the time has come to shift the emphasis from national security to domestic emergency management using an all-hazards approach.” An all-hazards approach meant preparing plans that would be effective regardless of the nature of a particular calamity, rather than specialized tactics that varied for floods, hurricanes, earthquakes, and so on. The report also criticized “the uneven quality of its political executives” and recommended a limit on the number of presidential appointees, while filling leadership positions with the most qualified FEMA employees.²³

A Model Agency

Upon taking office, President Clinton appointed as FEMA director James Lee Witt, who had served under Clinton in Arkansas as director of the state’s Office of Emergency Services. Witt, with Clinton’s endorsement, proceeded to implement the lion’s share of recommendations in the NAPA report. One of Witt’s first actions was to eliminate

ten presidentially appointed management posts—about one-third of the total number of appointees at the agency.²⁴

Clinton also acceded to Witt's request to have an opportunity to interview the individuals whom the president was considering for the agency's remaining appointments. In contrast to prior practice, Clinton's selections almost uniformly had strong relevant experience, as opposed to just lending a hand in political campaigns. Examples included Deputy Director Robert M. Walker, who as undersecretary of the army had supervised the Defense Department's response to domestic disasters; Lacy E. Suiter, who for twelve years had been director of the Tennessee Emergency Management Agency; and Michael Armstrong, who had worked for more than ten years in Colorado state and local government specializing in conservation, land use, and personnel matters.²⁵

Witt, further following NAPA's counsel, forcefully and relentlessly clarified FEMA's new central mission as providing support for “all-hazards, comprehensive emergency management.” Previously, according to NAPA, FEMA was “a check-writing agency, an intelligence agency, a social service agency, and an insurance agency, with a fire administration thrown in.”²⁶ Witt's “all-hazards” mantra transformed that pastiche into a straightforward mission focusing on activities that would be beneficial to the public, regardless of the precise nature of a particular crisis. So, for example, it would devote far more resources and energy than in the past toward “mitigation,” which meant reducing the potential loss of life and property long before a disaster occurred by helping to move out people and protect structures in locations that were highly vulnerable. Rather than having multiple response plans and coordinators tailored to different types of emergencies, FEMA helped to develop a single strategy that would be universally applicable for police, fire, and emergency personnel, regardless of whether a hurricane, a tornado, or a flood hit a particular area. At the same time, the agency's past focus on civil defense dissipated after Witt convinced Congress that funds previously allocated for that purpose could now, in the aftermath of the Soviet Union's collapse, be more effectively devoted toward improving the government's response to natural disasters.²⁷

As he greatly clarified FEMA's mission, Witt also undertook a major reorganization of the agency that reinforced support for the all-hazards

approach while reinvigorating its career civil servants. Witt asked the most senior career employees to switch to different jobs, suggesting that the change would enable them to bring fresh perspective and new ideas to the restructured institution. That process reduced each manager's incentive to react defensively to subsequent reforms, since none had a personal stake in defending the way his or her part of the organization had done things in the past. Witt and his team also emphasized the importance of achieving concrete results, regardless of the means used to get there. A sign in Witt's office said, "When entering this room, don't say, 'We've never done it that way before.'" In 1996, President Clinton elevated Witt's post to cabinet level, providing the agency with a direct connection to the Oval Office.

In interviews with longtime FEMA staff, Jerry Ellig of George Mason University found that two consistent themes emerged under Witt's leadership:

- 1) Individuals are more willing to actually take responsibility for things that they were supposed to be responsible for all along. They make decisions and accept the resulting criticism or praise, whereas previously they were more prone to duck decisions or criticism.
- 2) Individuals have a much better understanding of how their specific responsibilities relate to FEMA's overall customer service mission. As a result, people focus on helping citizens prevent or solve problems, rather than simply complying with standard procedures.²⁸

Morale escalated throughout Witt's eight years at the helm, and job applications for open positions soared—a stark contrast to the previous era, when half of all FEMA employees surveyed said they would take a job elsewhere if offered one.²⁹

Witt's reforms produced improvements that were so concrete and dramatic that his tenure became a model for government managers. In 2000, two glowing studies of his accomplishments were published.³⁰ Testimonials flowed to the agency from members of Congress and others who previously had lambasted it. After Florida was wracked by tornadoes, floods, and forest fires in an unprecedented series of natural disasters in 1998, Senator Bob Graham (D-Fla.) said that FEMA's response represented "a 180-degree turnaround" from its efforts after Hurricane Andrew just six years earlier.³¹ Florida's director of emer-

agency services called FEMA “[m]uch more proactive, more sensitive to the consumer, in this case the disaster victim. They have just made a tremendous turnaround in improvement.”³² Senator Tim Hutchinson (R-Ark.) said in 1998, “Prior to [Witt’s] arrival, FEMA was rivaled probably only by the IRS as the most disliked federal agency.” But after tornadoes hit Arkansas in 1997, he remarked, “FEMA’s reaction was outstanding. People were receiving checks within days of the disaster. At times, it is difficult to identify owners of property because of handshake sales, yet, to my knowledge, there was little or no complaint in the filling of requests. This is an outstanding turnaround for a very important agency.”³³

Back to the Turkey Farm

Notwithstanding the logic of staying the successful course, newly elected president George W. Bush’s choice for FEMA director in 2001 immediately signaled not only a change in direction for the agency but also a reversion to the past. Joseph M. Allbaugh, like most pre-Witt FEMA leaders, was far more experienced in political campaigns—having just managed Bush’s as part of his “iron triangle,” along with Karl Rove and Karen Hughes—than in emergency management. Leo Bosner, an emergency-management specialist who had worked at FEMA since its creation in 1979 and is now head of the agency’s union, told *Rolling Stone*, “There are plenty of Republican emergency managers, fire chiefs, or police chiefs around. And they pull this guy who’s a campaign manager?”³⁴

In the months ahead, Allbaugh proceeded to reaffirm his desire to stamp a conservative imprint on the agency, just as Heritage prescribed, by choosing for presidential appointment slots other top officials who shared both his ideology and lack of emergency-management credentials. Among them was Michael Brown, who initially joined FEMA as general counsel in February 2001. With the exception of a single FEMA employee who served as acting director of operations, none of the other individuals in the agency’s front office during Allbaugh’s tenure had any prior emergency-management experience.³⁵ Beyond reverting to FEMA’s old turkey-farm hiring practices, Allbaugh reestablished the Office of National Preparedness that Reagan’s

failed director Giuffrida had originally set up under the same name in 1981. That action restored the civil defense mission that had been near and dear to the heart of conservative icon Reagan, which Witt had largely dropped in order to sharpen the agency's focus. Allbaugh's decision to reinstate under the same name an office that had once embarrassed the government sent a signal that only conservative ideologues could interpret positively.³⁶

Allbaugh's tenure further followed the conservative movement's playbook by emasculating much of his corner of the federal government—dropping programs (despite their success), shedding responsibilities to states and localities, and privatizing activities by contracting out a greater share of work that agency personnel had previously conducted. In testimony on May 16, 2001, before a Senate appropriations subcommittee, Allbaugh said, “Many are concerned that federal disaster assistance may have evolved into both an oversized entitlement program and a disincentive to effective state and local risk management. Expectations of when the federal government should be involved and the degree of involvement may have ballooned beyond an appropriate level.”³⁷ That is pure conservative movement boilerplate, which conformed with what the heads of many Bush administration agencies were saying at the time. For example, budget director Mitch Daniels told a federal audience in April 2001, “The general idea that the business of government is not to provide services, but to make sure that they are provided, seems self-evident to me.”³⁸

What did Allbaugh's efforts mean in practice for an agency that by all accounts, from the perspective of many Republicans as well as Democrats, had experienced a remarkable turnaround in the previous eight years? One telling example was Allbaugh's decision to eliminate Project Impact, a Witt disaster-mitigation initiative that provided relatively small grants—between \$500,000 and \$1 million—to spur local and private support to pursue plans to better defend communities against potential disasters. The relatively inexpensive \$25-million-a-year program was widely credited with such results as the construction—mostly funded with private and local money—of tornado-safe rooms in about ten thousand homes across Oklahoma, the installation of storm shutters and other hurricane-proofing devices on buildings in central and southern Florida, and the removal in the Seattle area of large water tanks from rooftops that could cave in during an earthquake.

Frank Reddish, the longtime Republican emergency-management coordinator of Miami-Dade County who credited Project Impact with raising the awareness of local officials about the need for disaster mitigation, said about Allbaugh's elimination of the program, "They politicized it. Just because it was invented by a Democrat doesn't mean it was bad."³⁹

Allbaugh, an intimidating character at six feet, four inches, 280 pounds, with a flat-top crewcut, was less than diplomatic in communicating his devolution agenda to states and localities. Shortly after taking office, in late April 2001, Allbaugh went to Davenport, Iowa, which had experienced significant flooding after the Mississippi River reached near-record-high levels. He proceeded to chastise the city for refusing to build a floodwall that might have prevented the disaster. "How many times does the American taxpayer have to step in and take care of this flooding, which could have been prevented by building levees and dikes?" Allbaugh asked. The mayor of Davenport, incredulous at such a harsh statement in the midst of the crisis, called Allbaugh's attack "insensitive."⁴⁰ But his message was crystal clear that states and localities would be largely on their own in preparing for calamities, as they were before the Witt era.

Privatize, Devolve, and Cut

Contracting out a much larger share of FEMA's work—again in accordance with conservative dogma—was another Allbaugh priority. While virtually every federal agency relies to varying degrees on private providers to carry out public services through contracting, the doctrine of the right errs decisively on the side of farming out work—often to providers who have coughed up abundant campaign contributions. In the process, movement conservatives relative to good government supporters prefer less government oversight, fewer and looser performance requirements, and a greater use of no-bid contracts. The presumption on the right is that private-sector contractors can carry out activities at lower cost and more effectively because they have to compete in the marketplace with other private firms for profits and, in most cases, are not unionized and therefore can pay their workers less. Oversight by the dreaded government bureaucrats only gums up those virtuous market forces. But as anyone knows from reading the headlines in recent

years about no-bid Defense Department contracts to Halliburton for Iraq rebuilding or FEMA's own post-Katrina no-bid contracts to politically connected companies like Bechtel and Fluor, overzealous contracting practices combined with lax government oversight squandered millions of taxpayer dollars.⁴¹ As a small indication of how pervasive the privatization mind-set was from the get-go, in 2001 the White House, FEMA, and other agencies went so far as to begin contracting with the Bulletin News Network, run by Paul Roellig, a former policy analyst in George H. W. Bush's White House, to prepare daily morning summaries of customized news clippings. That activity had previously been performed mostly by volunteers, so it's not clear how the government became more efficient in the process.⁴²

All of these ideologically driven changes—privatization, the elimination of successful programs, the resurrection of a failed Reagan-era enterprise, the devolving of responsibilities to states and localities, and the heightened reliance on political appointees with negligible qualifications beyond an abiding commitment to the conservative movement—predictably sent the morale of FEMA employees into a deep and rapid tailspin. Large numbers of the most experienced workers began to leave the agency, in many cases without being replaced. After the implementation of conservative ideology set in motion FEMA's downward spiral, its inclusion in the Department of Homeland Security following the September 11 terrorist attacks—a largely bipartisan but ill-fated decision that Witt presciently objected to—greatly exacerbated the agency's decline. Now Michael Brown, who succeeded Allbaugh upon the creation of DHS in 2003, didn't directly report to the president but was just one among twenty-two agency heads accountable upward through several chains of command to the secretary of DHS, including many additional layers of inexperienced conservative political appointees. Jane Bullock, who served as chief of staff for emergency management from 1995 to 2001, told *Rolling Stone*:

The moment FEMA went into DHS, it was a death knell. When FEMA was independent, Witt could pick up the phone and call up the Secretary for Defense for assistance. He'd respond immediately, because he had seen Witt in Cabinet meetings. No one can tell me that if Mike Brown picked up the phone and called Don Rumsfeld, that Rumsfeld would even have known who Brown was.⁴³

All of these forces accelerated the deterioration in staff morale that had begun under Allbaugh. By 2005, FEMA was operating with a 15 to 20 percent job vacancy rate, and many openings were not being filled because of funding shortfalls.⁴⁴ A June 21, 2004, letter written by sixteen-year FEMA veteran and then union head Pleasant Mann to several senators, and sent more than a year before the Katrina calamity, conveyed alarm:

Over the past three years, FEMA has gone from being a model agency to one where funds are being misspent, employee morale has fallen, and our nation's emergency management capability is being eroded. . . . In a recent survey, 60 percent of FEMA headquarters employees who responded said they would probably leave FEMA and take another job if one were offered, and nearly 75 percent said they would retire immediately if they could do so. . . . Over the past three-and-one-half years, professional emergency managers at FEMA have been supplanted on the job by politically connected contractors and by novice employees with little background or knowledge of emergency management. At first this took place at the senior levels of FEMA, but it has now entered into the mid-level and working-level of the agency, and jobs are increasingly being filled by hiring inexperienced and unqualified persons.⁴⁵

A survey of morale levels among all government agencies found that FEMA's ranked last, after having been among the leaders just a few years earlier.⁴⁶

Conservative Leadership

At the time Katrina hit, five of FEMA's eight top officials had virtually no prior experience in emergency management. In addition to Brown, the other four novices with political connections were Chief of Staff Patrick J. Rhode, who had done advance work for Bush's presidential campaign; Deputy Chief of Staff Brooks D. Altshuler, another campaign aide; the acting director for risk reduction and federal insurance administrator David I. Maurstad, who was previously Nebraska's lieutenant governor until 2001; and Director of Recovery Daniel A. Craig, who came to the agency from the U.S. Chamber of Commerce after

working previously as a lobbyist for the National Rural Electric Cooperative Association.⁴⁷ The Senate Homeland Security Committee staff reviewed the biographies of FEMA regional directors since 2001 and found that many of them had little or no emergency-management experience as well.⁴⁸

The committee's investigation found that FEMA employees considered the root of the agency's problems to be its reliance on unqualified political appointees. Eric Tolbert, who was director of response at FEMA until February 2005, told the committee, "The impact of having political in the high ranks of FEMA . . . that's what killed us. In the senior ranks of FEMA there was nobody that even knew FEMA's history, much less understood the profession and the dynamics and the roles and responsibilities of the states and [of] local governments." The committee also released excerpts of an internal assessment by the nonprofit consulting firm MITRE in early 2005 (months before Katrina hit), exploring why FEMA was failing to deal quickly with disasters. Based on confidential interviews with eleven of FEMA's senior executives, the MITRE report emphasized both the high number and the poor qualifications of political appointees in the agency. Among the quotes cited: "The void is in leadership. There's none," and, "None of the senior leadership understand the dynamics of how response and recovery actually works. . . . This administration doesn't understand the value and importance of emergency management."⁴⁹

The politicization of FEMA did, however, generate a certain sort of productivity when four successive hurricanes slammed the pivotal election state of Florida during the 2004 presidential campaign season. An investigation by the South Florida *Sun-Sentinel* found that concerns about the damage the storms could do to the president at the ballot box prompted FEMA to dole out disaster relief checks with unprecedented generosity. The paper reported that two weeks after a FEMA consultant raised alarms that the second of the hurricanes was creating a "huge mess" that could reflect poorly on Bush, a Florida official wrote that FEMA was handing out housing assistance "to everyone who needs it without asking for much information of any kind."⁵⁰ Subsequent investigations by the DHS's inspector general and the Senate Committee on Homeland Security and Governmental Affairs confirmed the *Sun-Sentinel* reports, finding that FEMA paid more than \$31 million to thousands of Florida residents who were

unaffected by the hurricanes. As Senator Susan Collins (R-Maine) described it at a contentious May 2005 hearing at which Brown parried heated questions, “FEMA approved massive payouts to replace thousands of televisions, air conditioners, beds and other furniture, as well as a number of cars, without receipts, or proof of ownership or damage, and based solely on verbal statements from the residents, sometimes made in fleeting encounters at fast-food restaurants.”⁵¹

The wasteful spending in Florida prompted the Collins-Lieberman Committee to recommend numerous changes to improve fairness, accountability, and transparency in the administration of FEMA’s disaster-assistance program. Other pre-Katrina, post-September 11 studies and reports examining the agency raised concerns and offered recommendations about the meager training of personnel, inadequate “surge capacity” to have temporary workers available to help during crises, its poor use of communications and information technology, the absence of standard operating procedures, a grossly understaffed procurement office, and excessive vacancies. But none of those warnings or ideas were heeded, and the consequences became horrifically obvious to everyone after Katrina hit.

In all of the postmortems about FEMA’s failures, the explanations for what went wrong invariably boil down to a single word: leadership. It’s a word that ultimately explains most government success stories as well, as Witt’s turnaround of the 1990s demonstrates. The conservative movement produces leaders who are committed to Ronald Reagan’s core belief that government is the problem, not the solution. The right also insists that after political victories, as many like-minded leaders as possible should be planted throughout the government to “exert control” over civil servants, who typically have much more experience and knowledge about public activities such as responding to emergencies. Allbaugh and Brown were exactly the kinds of leaders the conservative movement promised the public that it would bring to the executive branch: advocates of “limited” government; suspicious of career bureaucrats; believers in outsourcing, downsizing, and devolution; recruiters to the government hierarchy of more ideologues just like them. People who describe Allbaugh and Brown as simply incompetent or unqualified misunderstand why conservative government is failing. They did precisely what the right said its leaders would do.

The Defense Department's Ministry of Propaganda

Another emblematic demonstration of the Heritage approach to public sector management, and why it's deeply flawed, is the short, unhappy life of the Defense Department's Office of Special Plans (OSP). Chapter 3 will discuss the broader connections between movement conservatism and the invasion of Iraq, which has proved to be another debacle, but the creation of OSP also deserves dishonorable mention here because it was motivated entirely by the Bush administration's contempt for career civil servants standing in the way of an ideological mission.

OSP was molded in a policy office in the Pentagon that focused on the Near East and South Asia. At the direction of Defense Secretary Donald Rumsfeld, Deputy Secretary Paul Wolfowitz, and Undersecretary for Policy Douglas J. Feith, the unit began to evolve beginning in May 2002 into an enterprise primarily charged with providing administration talking points that could be used to justify an attack on Iraq. It conducted some scattershot intelligence of its own—reading Iraqi newspapers for reports that might incriminate Saddam Hussein in acts of terrorism, for example—but its main purpose was to develop arguments against his regime while questioning the reliability of CIA and other intelligence reports, including the Defense Department's own, that doubted his possession of weapons of mass destruction and connections to al-Qaeda.⁵² The political appointees brought in to run OSP without exception were individuals who had long advocated Saddam Hussein's overthrow and adhered to Wolfowitz's neoconservative philosophy that forceful exertion of American hegemony should be the nation's overriding foreign policy priority. Among them was Deputy Undersecretary of Defense William Luti, who oversaw the Near East and South Asia section, a recently retired navy captain who had served as an aide to both Vice President Dick Cheney and Newt Gingrich.

The director of OSP was Abram Shulsky, who had been a housemate of Wolfowitz's during their college years and previously worked for the neoconservative Richard Perle. Shulsky, like Wolfowitz, a disciple of University of Chicago political scientist Leo Strauss, believed that tyrannical regimes are so dependent on deception that gathering

valid intelligence about them can be an exercise in futility. Shulsky coauthored a 1999 essay that included this passage: “Strauss’ view certainly alerts one to the possibility that political life may be closely linked to deception. Indeed, it suggests that deception is the norm in political life, and the hope, to say nothing of the expectation, of establishing a politics that can dispense with it as the exception.” As George Packer wrote in *The Assassins’ Gate: America in Iraq*, “It isn’t such a long step from this insight to the creation of an office that conceals its work behind a deliberately obscure name like ‘Special Plans.’”⁵³

Veteran experts in the Near East and South Asia unit—including Joseph McMillan, James Russell, Larry Hanauer, and Marybeth McDevitt—were either transferred elsewhere or retired.⁵⁴ New recruits were hired from such ideologically driven think tanks as the Middle East Media Research Institute, the Washington Institute for Near East Policy, and the Jewish Institute for National Security Affairs.⁵⁵ Three of Luti and Shulsky’s hires were men who had close ties to Ahmed Chalabi, the head of the Iraqi National Congress whom Perle had long touted as the logical replacement for Saddam Hussein after an overthrow, notwithstanding Chalabi’s uncertain, at best, popular support in the country. Those three individuals were Colonel William Bruner, a former military aide to Gingrich; Michael Rubin, an Iran scholar at the American Enterprise Institute (AEI); and Harold Rhode, another AEI fellow. OSP served as a channel for passing along intelligence provided by Chalabi, almost all of which turned out to be false.⁵⁶

Lieutenant Colonel Karen Kwiatkowski, a self-identified conservative with twenty years of military service, had been working as a staff officer in the Pentagon’s policy office on sub-Saharan Africa when she was “volunteered” to work in the Near East, South Asia directorate. Her summation of what she witnessed inside OSP:

I saw a narrow and deeply flawed policy favored by some executive appointees in the Pentagon used to manipulate and pressurize the traditional relationship between policymakers in the Pentagon and U.S. agencies. I witnessed neoconservative agenda bearers within OSP usurp measured and carefully considered assessments, and through suppression and distortion of intelligence analysis promulgate what were in fact falsehoods to both Congress and the executive office of the president.⁵⁷

Paul R. Pillar, who served as national intelligence officer for the Near East and South Asia from 2000 to 2005 at the end of a long career in the CIA, wrote in *Foreign Affairs*:

The administration used intelligence not to inform decision-making, but to justify a decision already made. . . . The Bush administration deviated from the professional standard not only in using policy to drive intelligence, but also in aggressively using intelligence to win public support for its decision to go to war. This meant selectively adducing data—“cherry-picking”—rather than using the intelligence community’s own analytic judgments.⁵⁸

It almost goes without saying now, but the United States would be stronger and safer today if the administration had recognized the value of career civil servants like Kwiatkowski and Pillar.

The Bush Scorecard

As compelling as the FEMA and OSP stories are in making the case against excessive politicization of government agencies, they are only two examples. But thanks to the Bush administration’s own innovation in instituting a new management-grading system, it has become possible to more systematically evaluate whether political appointees or career civil servants are more effective managers—using the conservative Bush team’s criteria for defining *effective*.

The grading system developed by the Office of Management and Budget, first implemented in 2002, is called the Program Assessment Rating Tool, or PART. Under PART, four categories of management receive grades—program purpose and design, strategic planning, program management, and program results—based on a series of twenty-five to thirty yes-or-no questions filled out jointly by agencies and OMB examiners. The raw scores are weighted and combined to produce a total numerical score, as well as a grade for each category, ranging from 0 to 100. Those tallies are translated into verbal assessments: ineffective, results not demonstrated, adequate, moderately effective, and effective. Disagreements between the OMB and the agencies are resolved by appeals up the OMB hierarchy—tantamount to giving the

White House the last word. To date, a total of 614 federal programs have been evaluated under PART.⁵⁹

David E. Lewis set about to compare how the PART grades of programs managed by political appointees compared with those run by career administrators. He found that 245 different bureau chiefs administered the programs that were assessed (some managers were responsible for more than one). Of the 242 Lewis was able to ascertain background information about, he found that 62 percent were Senate-confirmed political appointees, 11 percent politically appointed members of the Senior Executive Service (SES), and 25 percent career SES managers.⁶⁰

After comparing the scores through statistical regression analysis, Lewis found that “the programs administered by appointees get systematically lower grades than careerists—even when controlling for differences among programs, substantial variation in management environment, and the policy content of the programs themselves.” In other words, the data show decisively that experienced civil servants are judged to be more effective managers than are political appointees—a result that is not dependent on differences in the kinds of programs that the two groups might be more likely to manage. If anything, those findings are apt to be skewed in favor of political appointees and against career managers. Because the administration uses the PART grades to help make judgments about budgets for particular programs, its ideological predilections favoring political appointees would be more likely to bias the results against activities managed by career staff. In addition, Lewis found that programs created by Democratic presidents received lower grades, which suggests that evaluations of policy content may be working their way into the administration’s evaluations of management performance.⁶¹ Again, that tendency would be more likely to benefit politically appointed managers.

Lewis’s study also attempted to discern from the data *why* programs administered by appointees receive lower grades. Additional regressions showed that two characteristics that were more prevalent among career managers—previous experience within the bureau and relatively longer tenure in the job—appeared to matter in producing higher performance grades. He found that political appointees had higher levels of education and a broader range of experience, including in private

sector management, on average. But those traits did not correlate with the PART performance grades.

Robert Shea, who oversees the PART program at the OMB, told the *Federal Times* that Lewis's findings don't prove anything: "It's safe to say that almost all of the programs that [he] compared are managed by a political appointee, not a career employee. All careerists eventually report to a political appointee. The career folks they've isolated as managers of programs are under the day-to-day management of a political appointee."

Lewis responded that he simply chose the managers for each program as listed on the OMB's worksheets. If every program is, in effect, ultimately under the control of a political appointee, then why would his calculations turn up systematically better outcomes for those directly managed by career officials?⁶² One would think that an executive of the OMB, which is supposed to be concerned with improving government efficiency, would respond that maybe more research could be conducted to see whether Lewis might be on to something. But, no, the right's ideology is clear: political appointees, good; career civil servants, bad.

Circular Reasoning

Everyone recognizes that government can be painfully inefficient. On the other hand, it also has often accomplished impressive goals and demonstrated the capacity to reform itself to become more effective and avoid past mistakes. But the conservative movement's central mission of weakening the government's domestic capabilities while exerting muscularity abroad doesn't allow for nuance in thinking about public sector management. The right's diagnosis of the problem is simple: bureaucracies are always inherently inefficient because they are run by useless, stubborn, unmanageable civil servants. The solution that follows logically from that assessment is to put the government as much as possible in the control of conservatives who share the mindset that career bureaucrats are standing in the way of achieving the right's overarching goals. Unfortunately for the country, ideologically driven Bush appointees have not only created one mess after another, they also have left future administrations with a government workforce littered with unqualified believers just like them. This will

only make it that much harder to rebuild an effective public sector—a result not unlike the argument of President Reagan’s budget director David Stockman that high federal deficits would impede government long after Reagan left office. It’s all part of the right’s plan for America.

Many conservatives pounced on the Katrina failure as a reaffirmation of their views about the inherent ineptitude of government. For example, the *New York Times* columnist David Brooks wrote:

The paradox at the heart of the Katrina disaster . . . is that we really need government in times like this, but government is extremely limited in what it can effectively do. Katrina was the most anticipated natural disaster in American history, and still government managed to fail at every level. For the brutal fact is, government tends toward bureaucracy, which means elaborate paper flow but ineffective action. Government depends on planning, but planners can never really anticipate the inevitable complexity of events. And American government is inevitably divided and power is inevitably devolved.⁶³

David Boaz of the libertarian Cato Institute was even more forceful:

You’ve got to hand it to the advocates of big government. They’re never embarrassed by the failures of government. On the contrary, the state’s every malfunction is declared a reason to give government more money and more power. Take Hurricane Katrina, a colossal failure of government at every level—federal, state, and local. . . . Let’s look at the facts. Government failed to plan. Government spent \$50 billion a year on homeland security without, apparently, preparing itself to deal with a widely predicted natural disaster. Government was sluggish in responding to the disaster. Government kept individuals, businesses, and charities from responding as quickly as they wanted. And at the deepest level, government so destroyed wealth and self-reliance in the people of New Orleans that they were unable to fend for themselves in a crisis.⁶⁴

But as we have seen, the quality of the government’s performance was far from identical after previous major disasters—that’s why both Democratic and Republican senators kept referring to FEMA’s “turn-around” under Witt. For a theory like public choice to be robust, it

needs to be useful not only in explaining something that happened in the past but also in predicting what will happen in the future. The fundamental problem with public-choice theory is that its empirical applicability seems to make sense only in explaining past governmental failures such as the Katrina episode. But it doesn't have anything remotely useful to offer about Witt's accomplishments. It can't explain Lewis's findings that government programs run by career managers seem to be systematically more effective than those run by political appointees. And it can't predict whether FEMA, intelligence agencies, or any other government branch or department will improve or decline over time, because all it has to offer is that government will always fail to promote the public interest due to the intrinsic flaws of bureaucracies and civil servants.

Many in the conservative movement are convinced, and want the public to believe, that government can do no better than it did after Katrina. According to the right's worldview, the debacle we all witnessed was an inevitable consequence of forces beyond the capacity of leadership to overcome. But that philosophy is self-fulfilling. If you believe that government is predestined to fail, and you choose leaders who share that belief, your ideology will be borne out. No institution will succeed unless the people running it are committed to its success. Politicizing the government by putting civil servants under the thumb of individuals lacking that deeply held commitment—not to mention relevant experience, knowledge, and familiarity with policies that have historically proved to be effective—is a sure path to failure. Yet government, when managed by individuals who reject conservative ideology, has succeeded many times in the past. The lesson is pretty easy to follow.