

OCTOBER 3, 2005

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HECK OF A JOB?
Bush and Brown
before the FEMA
head resigned

HOW MANY MORE MIKE BROWNS ARE OUT THERE?

A TIME inquiry finds that at top positions in some vital government agencies, the Bush Administration is putting connections before experience

By **KAREN TUMULTY, MARK THOMPSON**
and **MIKE ALLEN** WASHINGTON

IN PRESIDENTIAL POLITICS, THE VICTOR always gets the spoils, and chief among them is the vast warren of offices that make up the federal bureaucracy. Historically, the U.S. public has never paid much attention to the people the President chooses to sit behind those thousands of desks. A benign cronyism is more or less presumed, with old friends and big donors getting comfortable positions and impressive titles, and with few real consequences for the nation.

But then came Michael Brown. When President Bush's former point man on disasters was discovered to have more expertise about the rules of Arabian horse competition than about the management of a catastrophe, it was a reminder that the competence of government officials who are not household names can have a life or death impact. The Brown debacle has raised pointed questions about whether political connections, not qualifications, have helped an unusually high number of Bush appointees land vitally

important jobs in the Federal Government.

The Bush Administration didn't invent cronyism; John F. Kennedy turned the Justice Department over to his brother, while Bill Clinton gave his most ambitious domestic policy initiative to his wife. Jimmy Carter made his old friend Bert Lance his budget director, only to see him hauled in front of the Senate to answer questions on his past banking practices in Georgia, and George H.W. Bush deposited so many friends at the Commerce Department that the agency was known internally as "Bush Gardens." The difference is that this Bush Administration had a plan from day one for remaking the bureaucracy, and has done so with greater success.

As far back as the Florida recount, soon-to-be Vice President Dick Cheney was poring over organizational charts of the government with an eye toward stocking it with people sympathetic to the incoming Administration. Clay Johnson III, Bush's former Yale roommate and the Administration's chief architect of personnel, recalls preparing for the inner circle's first trip from Austin, Texas, to Washington: "We were standing there getting ready

to get on a plane, looking at each other like: Can you believe what we're getting ready to do?"

The Office of Personnel Management's *Plum Book*, published at the start of each presidential Administration, shows that there are more than 3,000 positions a President can fill without consideration for civil service rules. And Bush has gone further than most Presidents to put political stalwarts in some of the most important government jobs you've never heard of, and to give them genuine power over the bureaucracy. "These folks are really good at using the instruments of government to promote the President's political agenda," says Paul Light, a professor of public service at New York University and a well-known expert on the machinery of government. "And I think that takes you well into the gray zone where few Presidents have dared to go in the past. It's the coordination and centralization that's important here."

The White House makes no apologies for organizing government in a way that makes it easier to carry out Bush's agenda. Johnson says the centralization is "very intentional, and it starts with the people you

WHO IS SHE?

JULIE MYERS

A 1994 graduate of Cornell Law school, Myers, 36, has held a variety of posts in the Bush Administration, including Deputy Assistant Treasury Secretary in charge of money laundering and financial crimes. She barely has the five years of experience in law-enforcement management required by law to head this agency.

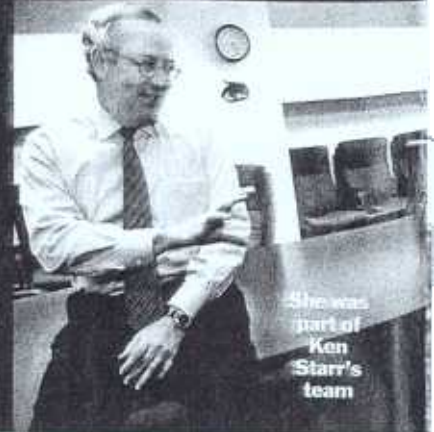
WHOM DOES SHE KNOW?



Myers' husband is Homeland Security Secretary Michael Chertoff's chief of staff



She is the niece of Richard Myers, Chairman of the Joint Chiefs of Staff



She was part of Ken Starr's team

pick ... They're there to implement the President's priorities." Johnson asserts that appointees are chosen on merit, with political credentials used only as a tie breaker between qualified people. "Everybody knows somebody," he says. "Were they appointed because they knew somebody? No. What we focused on is: Does the government work, and can it be caused to work better and more responsibly? ... We want the programs to work." But across the government, some experienced civil servants say they are being shut out of the decision making at their agencies. "It depresses people, right down to the level of a clerk-typist," says Leo Bosner, head of the Federal Emergency Management Agency's (FEMA's) largest union. "The senior to mid-level managers have really been pushed into a corner career-wise."

Some of the appointments are raising serious concerns in the agencies themselves and on Capitol Hill about the competence and independence of agencies that the country relies on to keep us safe, healthy

GOTTLIEB, AN EX-STOCK PICKER, IS SUPPOSED TO WORK ON FDA POLICY, BUT E-MAILS SHOW HE HAS BEEN CHALLENGING THE DRUG-APPROVAL PROCESS

and secure. Internal e-mail messages obtained by TIME show that scientists' drug-safety decisions at the Food and Drug Administration (FDA) are being second-guessed by a 33-year-old doctor turned stock picker. At the Office of Management

and Budget, an ex-lobbyist with minimal purchasing experience oversaw \$300 billion in spending, until his arrest last week. At the Department of Homeland Security, an agency the Administration initially resisted, a well-connected White House aide with minimal experience is poised to take over what many consider the single most crucial post in ensuring that terrorists do not enter the country again. And who is acting as watchdog at every federal agency? A corps of inspectors general who may be increasingly chosen more for their political credentials than their investigative ones.

NOWHERE IN THE FEDERAL BUREAUCRACY IS it more important to insulate government experts from the influences of politics and special interests than at the Food and Drug Administration, the agency charged with assuring the safety of everything from new vaccines and dietary supplements to animal feed and hair dye. That is why many within the department, as well as in the

WHO IS HE?

DAVID SAFAVIAN

The former lobbyist also worked as a congressional aide and for the General Services Administration before Bush picked him to oversee all federal procurement. An Iranian American, Safavian has served on the board of the Islamic Institute and has lobbied on its behalf.

WHOM DOES HE KNOW?



White House ally and tax-cut advocate Grover Norquist is a former lobbying partner



Representative Tom Davis employs Safavian's wife and is leading a probe of the response to Katrina

WHAT DID HE DO?

As chief procurement officer, Safavian oversaw \$300 billion in federal money and an additional \$62 billion approved for Hurricane Katrina relief.

■ **PROCUREMENT EXPERTS** were dismayed by his inexperience and eagerness to hand out large contracts to the private sector.

■ **TWO WEEKS AGO**, Safavian resigned and was then arrested for allegedly lying to government investigators about his dealings with lobbyist Jack Abramoff.

WHAT WOULD SHE DO?



As head of Immigration and Customs Enforcement (ICE), Myers would be charged with keeping terrorists from crossing the border and would report directly to Chertoff.

■ ICE has 20,000 employees and a budget of roughly \$4 billion. Myers previously managed 170 people and \$25 million annually.

■ HER NOMINATION appears on track, although a Senate committee questioned her qualifications.



broader scientific community, were startled when, in July, Scott Gottlieb was named deputy commissioner for medical and scientific affairs, one of three deputies in the agency's second-ranked post at FDA.

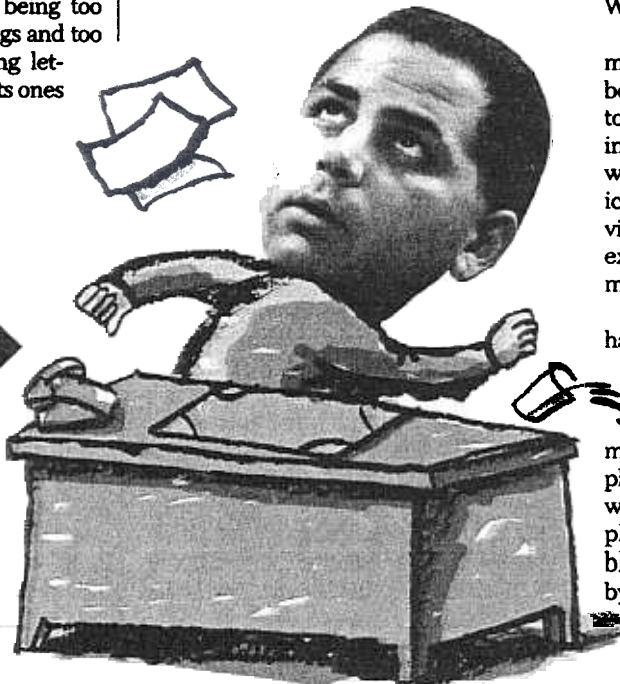
His official FDA biography notes that Gottlieb, 33, who got his medical degree at Mount Sinai School of Medicine, did a previous stint providing policy advice at the agency, as well as at the Centers for Medicare and Medicaid Services, and was a fellow at the American Enterprise Institute, a conservative think tank. What the bio omits is that his most recent job was as editor of a popular Wall Street newsletter, the *Forbes/Gottlieb Medical Technology Investor*, in which he offered such tips as "Three Biotech Stocks to Buy Now." In declaring Gottlieb a "noted authority" who had written more than 300 policy and medical articles, the biography neglects the fact that many of those articles criticized the FDA for being too slow to approve new drugs and too quick to issue warning letters when it suspects ones

already on the market might be unsafe. FDA Commissioner Lester Crawford, who resigned suddenly and without explanation last Friday, wrote in response to e-mailed questions that Gottlieb is "talented and smart, and I am delighted to have been able to recruit him back to the agency to help me fulfill our public-health goals." But others, including Jimmy Carter-era FDA Commissioner Donald Kennedy, a former Stanford University president and now executive editor-in-chief of the journal *Science*, say Gottlieb breaks the mold of appointees at that level who are generally career FDA scientists or experts well known in their field. "The appointment comes out of nowhere. I've never seen anything like that," says Kennedy.

Gottlieb's financial ties to the drug industry were at one time quite extensive. Upon taking his new job, he recused himself for up to a year from any deliberations involving nine companies that are regulated by the FDA and "where a reasonable person would question my impartiality in the matter." Among them are Eli Lilly, Roche and Proctor & Gamble, according to his Aug. 5 "Disqualification Statement Regarding Former Clients," a copy of which was obtained by TIME. Gottlieb, though, insists that his role at the agency is limited to shaping broad policies, such as improving communication between the FDA, doctors and patients, and developing a strategy for dealing with pandemics of such diseases as flu, West Nile virus and SARS.

Would he ever be involved in determining whether an individual drug should be on the market? "Of course not," Gottlieb told TIME. "Not only wouldn't I be involved in that ... But I would not be in a situation where I would be adjudicating the scientific or medical expertise of the [FDA] on a review matter. That's not my role. It's not my expertise. We defer to the career staff to make scientific and medical decisions."

Behind the scenes, however, Gottlieb has shown an interest in precisely those kinds of deliberations. One instance took place on Sept. 15, when the FDA decided to stop the trial of a drug for multiple sclerosis during which three people had developed an unusual disorder in which their bodies eliminated their blood platelets and one died of intracerebral bleeding as a result. In an e-mail obtained by TIME, Gottlieb speculated that the com-



LOOOP: REUTERS; MYERS: JEFF MITCHELL—REUTERS

LIZ LYNCH

plication might have been the result of the disease and not the drug. "Just seems like an overreaction to place a clinical hold" on the trial, he wrote. An FDA scientist rejected his analysis and replied that the complication "seems very clearly a drug-related event." Two days prior, when word broke that the FDA had sent a "non-approvable" letter to Pfizer Inc., formally rejecting its Oporia drug for osteoporosis, senior officials at the FDA's Center for Drug Evaluation and Research received copies of an e-mail from Gottlieb expressing his surprise that what he thought would be a routine approval had been turned down. Gottlieb asked for an explanation.

Gottlieb defends his e-mails, which were circulated widely at the FDA. "Part of my job is to ask questions both so I understand how the agency works, and how it

ket last year. The agency's independence has also come under question, most recently with its decision last month to prevent the emergency contraceptive known as Plan B from being sold over the counter, after an FDA advisory panel recommended it could be. That Gottlieb sits at the second tier of the agency, critics say, sends anything but a reassuring signal.

DAVID SAFAVIAN DIDN'T HAVE MUCH HANDS-ON experience in government contracting when the Bush Administration tapped him in 2003 to be its chief procurement officer. A law-school internship helping the Pentagon buy helicopters was about the extent of it. Yet as administrator of the Office of Federal Procurement Policy, Safavian, 38, was placed in charge of the \$300 billion

Safavian were well-versed in the arcane world of federal contracts. "Safavian is a good example of a person who had great party credentials but no substantive credentials," says Danielle Brian, executive director of the Project on Government Oversight, a nonprofit Washington watchdog group. "It's one of the most powerful positions in terms of impacting what the government does, and the kind of job—like FEMA director—that needs to be filled by a professional." Nevertheless, Safavian's April 2004 confirmation hearing before the Senate Governmental Affairs Committee (attended by only five of the panel's 17 members) lasted just 67 minutes, and not a single question was asked about his qualifications.

The committee did hold up Safavian's confirmation for a year, in part because

WHO IS HE?

SCOTT GOTTLIEB

A 33-year-old doctor, Gottlieb handicapped health stocks and blogged as *fdainsider.com* before returning to the Food and Drug Administration in July. In the past, he has been a fierce critic of the agency he now helps run, complaining that it is too slow to approve new medicines and too quick to issue warnings about drugs on the market.

WHOM DOES HE KNOW?



As a fellow at the conservative American Enterprise Institute, Gottlieb befriended future FDA chief Mark McLellan, left, brother of White House spokesman Scott McLellan

WHAT DOES HE DO?

As deputy commissioner for medical and scientific affairs, Gottlieb crafts broad policies, such as designing ways to improve doctor-patient communication.

■ **INTERNAL FDA E-MAILS** show Gottlieb has second-guessed agency scientists on drug-safety questions at least twice in his first weeks on the job.

■ **HIS APPOINTMENT** comes at a time of growing concern over the safety of drugs and the independence of the Federal Government's most important consumer-protection agency.

reaches its decisions," he told TIME. However, a scientist at the agency said they "really confirmed people's worst fears that he was only going to be happy if we were acting in a way that would make the pharmaceutical industry happy."

The Oporia decision gave Pfizer plenty of reason to be unhappy: the drug had been expected to produce \$1 billion a year in sales for the company. Pfizer's stock fell 1.4% the day the rejection was announced. The FDA has not revealed why it rejected the drug, and Pfizer has said it is "considering various courses of action" that might resuscitate its application for approval.

Health experts note that Gottlieb's appointment comes at a time of increased tension between the agency and drug companies, which are concerned that new drugs will have a more difficult time making it onto the market in the wake of the type of safety problems that persuaded Merck to pull its best-selling painkiller Vioxx from the mar-

ket last year. The government spends each year on everything from paper clips to nuclear submarines, as well as the \$62 billion already earmarked for Hurricane Katrina recovery efforts. It was his job to ensure that the government got the most for its money and that competition for federal contracts—among companies as well as between government workers and private contractors—was fair. It was his job until he resigned on Sept. 16 and was subsequently arrested and charged with lying and obstructing a criminal investigation into Republican lobbyist Jack Abramoff's dealings with the Federal Government.

Safavian spent the bulk of his pregovernment career as a lobbyist, and his nomination to a top oversight position stunned the tightly knit federal procurement community. A dozen procurement experts interviewed by TIME said he was the most unqualified person to hold the job since its creation in 1974. Most of those who held the post before

of concerns about work his lobbying firm, Janus-Merritt Strategies, had done that he was required to divulge to the panel but failed to. The firm's filings showed that it represented two men suspected of links to terrorism (Safavian said one of the men was "erroneously listed," and the other's omission was an "inadvertent error") as well as two suspect African regimes. Ultimately, the committee and the full Senate unanimously approved Safavian for the post.

His political clout, federal procurement experts say privately, came from his late-1990s lobbying partnership with Grover Norquist, now head of Americans for Tax Reform and a close ally of the Bush Administration. Norquist is an antitax advocate who once famously declared that his goal was to shrink the Federal Government so he could "drag it into the bathroom and drown it in the bathtub." As the U.S. procurement czar, Safavian was push-

ing in that direction by seeking to shift government work to private contractors, contending it was cheaper. Federal procurement insiders say his relationship with Norquist gave Safavian the edge in snaring the procurement post. But Norquist has "no memory" of urging the Administration to put Safavian in the post, says an associate speaking on Norquist's behalf. A White House official said Norquist "didn't influence the decision." Clay Johnson, who was designated by the White House to answer all of TIME's questions about administration staffing issues and who oversaw the procurement post, says Safavian was "by far the most qualified person" for the job. Perhaps it also didn't hurt that Safavian's wife Jennifer works as a lawyer for the House Government Reform Committee, which oversees federal contracting.

In addition, Safavian had worked at a law firm in the mid-'90s with Jack Abramoff, one of the capital's highest-paid lobbyists,

worked closely with Abramoff—identified only as "Lobbyist A" in the criminal complaint against Safavian—to give Abramoff an inside track in his efforts to acquire control of two pieces of federal property in the Washington area. Safavian, who is free without bail, declined to be interviewed for this story. His attorney, Barbara Van Gelder, said the government is trying to pressure her client to help in its probe of Abramoff. "This is a creative use of the criminal code to secure his cooperation," she said.

THREE DAYS AFTER THE SEPT. 12 RESIGNATION of FEMA's Michael Brown, Julie Myers, the Bush Administration's nominee to head

weren't enough, the head of ICE must also contend with money launderers, drug smugglers, illegal-arms merchants and the vast responsibility that comes with managing 20,000 government employees and a \$4 billion budget. Expectations were high that whoever was appointed to fill the job would be, in the words of Michael Greenberger, head of the University of Maryland's Center for Health and Homeland Security, "a very high-powered, well-recognized intelligence manager."

Instead the Administration nominated Myers, 36, currently a special assistant handling personnel issues for Bush. She has experience in law-enforcement management, including jobs in the White House and the Commerce, Justice and Treasury departments, but she barely meets the five-year minimum required by law. Her most significant responsibility has been as Assistant Secretary for Export Enforcement at the Commerce Department, where, she told Senators, she supervised 170 employees and a \$25 million budget.

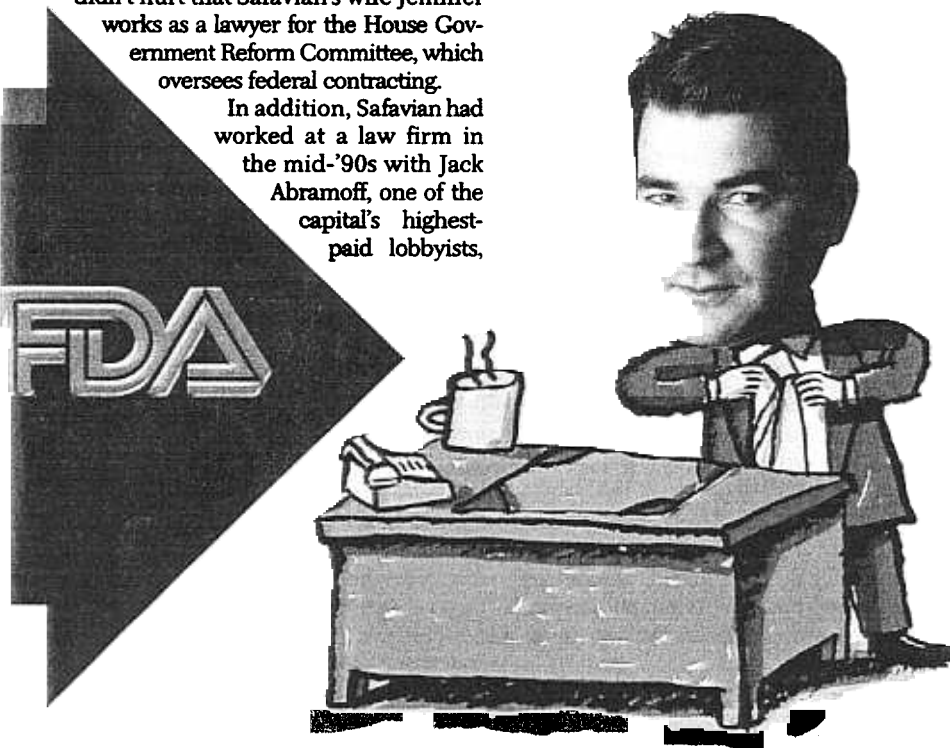
Myers may appear short on qualifications, but she has plenty of connections. She worked briefly for Chertoff as his chief of staff at the Justice Department's criminal division, and two days after her hearing, she married Chertoff's current chief of staff, John Wood. Her uncle is Air Force General Richard Myers, the outgoing Chairman of the Joint Chiefs of Staff. Julie Myers was on her honeymoon last week and was unavailable to comment on the questions about her qualifications raised by the Senate. A representative referred TIME to people who had worked with her, one of whom was Stuart Levey, the Treasury Department's Under Secretary for Terrorism and Financial Crime. "She was great, and she impressed everyone around her in all these jobs," he said. "She's very efficient, and she's assertive and strong and smart, and I think she's wonderful."

To critics, Myers' appointment is a symptom of deeper ills in the Homeland Security Department, a huge new bureaucracy that the Bush Administration resisted creating. Among those problems, they say, is a tendency on the part of the Administration's political appointees to discard in-house expertise, particularly when it could lead to additional government regulation of industry. For instance, when Congress passed the intelligence reform bill last year, it gave the Transportation Security Administration (TSA) a deadline of April 1, 2005, to come up with plans to assess the threat to various forms of shipping and transportation—including rail, mass transit, highways and pipelines—and

a top C.O.P. fund raiser and a close friend of House majority leader Tom DeLay. Abramoff was indicted last month on unrelated fraud and conspiracy charges. In 2002, Abramoff invited Safavian on a weeklong golf outing to Scotland's famed St. Andrews course (as Abramoff had done with DeLay in 2000). Seven months after the trip, an anonymous call to a government hotline said lobbyists had picked up the tab for the jaunt. That wasn't true; Safavian paid \$3,100 for the trip. But the government alleges that he lied when he repeatedly told investigators that Abramoff had no business dealings with the General Services Administration, where Safavian worked at the time. Prosecutors alleged last week, however, that Safavian

Immigration and Customs Enforcement (ICE) came before the Senate Homeland Security and Governmental Affairs Committee. The session did not go well. "I think we ought to have a meeting with [Homeland Security Secretary] Mike Chertoff," Ohio Republican George Voinovich told Myers. "I'd really like to have him spend some time with us, telling us personally why he thinks you're qualified for the job. Because based on the résumé, I don't think you are."

Immigration and Customs Enforcement is one of 22 agencies operating under the umbrella of the Department of Homeland Security, but its function goes to the heart of why the department was created: to prevent terrorists from slipping into the U.S. If that



make specific proposals for strengthening security. Two former high-ranking Homeland Security officials tell *TIME* that the plans were nearly complete and had been put into thick binders in early April for final review when Deputy Secretary Michael Jackson abruptly reassigned that responsibility to the agency's policy shop. Jackson was worried that presenting Congress with such detailed proposals would only invite it to return later and demand to know why Homeland Security had not carried them out. "If we put this out there, this is what we're going to be held to," says one of the two officials, characterizing Jackson's stance. Nearly six months after Congress's deadline, in the wake of the

"The IGs have become more political over the years, and it seems to have accelerated," said A. Ernest Fitzgerald, who has been battling the Defense Department since his 1969 discovery of \$2 billion in cost overruns on a cargo plane, and who, at 79, still works as a civilian Air Force manager. A study by Representative Henry Waxman of California, the top Democrat on the House Government Reform Committee, found that more than 60% of the IGs nominated by the Bush Administration had political experience and less than 20% had auditing experience—almost the obverse of those measures during the Clinton Administration. About half the current IGs are holdovers from Clinton.

the Florida pension system at the request of the President's brother, Governor Jeb Bush of Florida, and the unauthorized gun she kept in her office. She resigned in June 2003 ahead of the report.

Three weeks ago, however, Joseph Schmitz supplanted Rehnquist as the most notorious Bush IG. Schmitz, who worked as an aide to former Reagan Administration Attorney General Ed Meese and whose father John was a Republican Congressman from Orange County, Calif., quit his post at the Pentagon following complaints from Senate Finance Committee chairman Charles Grassley, Republican of Iowa. In particular, Grassley questioned



summer's subway bombings in London, TSA spokeswoman Amy Von Walter says the agency is in the process of declassifying the document and expects to post a short summary on its website soon.

In the meantime, Myers' nomination could be in trouble. Voinovich says his concerns were satisfied after a 35-minute call with Chertoff, in which the Homeland Security Secretary argued forcefully on Myers' behalf. But other senators are raising questions, and Democrats have seized on Myers' appointment as an example of the Bush Administration's preference for political allies over experience.

THE POST-WATERGATE LAW CREATING THE position of inspector general (IG) states that the federal watchdogs must be hired "without regard to political affiliation," on the basis of their ability in such disciplines as accounting, auditing and investigating. It may not sound like the most exciting job, but the 57 inspectors general in the Federal Government can be the last line of defense against fraud and abuse. Because their primary duty is to ask nosy questions, their independence is crucial.

But critics say some of the Bush IGs have been too cozy with the Administration.

Johnson says political connections may be a thumb on the scale between two candidates with equal credentials, but rarely are they the overriding factor in a personnel decision. Speaking of all such appointments, not just the IGs, he said, "I am aware of one or two situations where politics carried the day and the person was not in the job a year later."

Still, several of the President's IGs fit comfortably into the friends-and-family category. Until recently, the most famous Bush inspector general was Janet Rehnquist, a daughter of the late Chief Justice. Rehnquist had been a lawyer for the Senate Permanent Subcommittee on Investigations and worked in the counsel's office during George H.W. Bush's presidency before becoming an IG at the Department of Health and Human Services. In that sense, she was qualified for the job. But a scathing report by the Government Accountability Office asserted that she had "created the perception that she lacked appropriate independence in certain situations" and had "compromised her ability to serve as an effective leader." Rehnquist also faced questions about travel that included sightseeing and free time, her decision to delay an audit of

Schmitz's acceptance of a trip to South Korea, paid for in part by a former lobbying client, according to Senate staff members and public lobbying records, and Schmitz's use of eight tickets to a Washington Nationals baseball game. But those issues aren't the ones that led to questions about his independence from the White House. Those concerns came to light after Schmitz chose to show the White House his department's final report on a multiyear investigation into the Air Force's plan to lease air-refueling tankers from Boeing for much more than it would have cost to buy them. After two weeks of talks with the Administration, Schmitz agreed to black out the names of senior White House officials who appeared to have played a role in pushing and approving what turned out to be a controversial procurement arrangement. Schmitz ultimately sent the report to Capitol Hill, but Senators are irked that they have not yet received an original, unredacted copy.

Congressional aides said they are still scratching their heads about how Schmitz got his job. He now works for the parent company of Blackwater USA, a military contractor that, in his old job, he might have been responsible for investigating.

—With reporting by Massimo Calabresi