



The Homeland Security Hash

The Department of Homeland Security gets little credit for the fact that terrorists have not staged an attack on American soil since 2001, and it is an open question whether it deserves much. Conceived in haste and crippled by its design, the newest addition to the cabinet desperately needs an overhaul.

BY PAUL C. LIGHT



On guard at the Homeland Security Operations Center in Washington, D.C.

FOUR YEARS AFTER IT OPENED ITS DOORS, THE Department of Homeland Security is by general agreement one of the most troubled cabinet-level agencies in the federal government. Hardly a day goes by without some fresh report on a contract gone bad, a new technology that does not work, a new Coast Guard cutter that is not seaworthy, or more cargo that slips through port without inspection. Year after year, virtually every assessment, including those by Congress, the 9/11 Commission, and the department's own inspector general, has given the department the same mediocre grades. "While the terrorists are learning and adapting, our government is still moving at a crawl," said 9/11 Commission chairman Thomas Kean in December 2005.

Homeland Security's personnel agree. According to the federal government's latest survey of its own employees, the department is the worst place to work in the government. It received the lowest ratings of 36 federal agencies for job satisfaction, management, and leadership. It is

plagued by high turnover, internal bureaucratic struggles, and a variety of structural handicaps stemming from its creation in the aftermath of the 9/11 attacks.

As a result, the department is far behind in achieving many goals. It still needs funding to inspect more cargo shipments; the authority to regulate and protect chemical plants and railroad cars; a clear strategy for protecting bridges, roads, trains, subways, and other critical infrastructure; more personnel to reduce the backlog of immigration cases; an effective screening program for airport employees; better technology for detecting hidden explosives; an accurate watch list of potential terrorists; and perhaps most important, improved intelligence capabilities.

If destiny is largely determined by birth, this is a federal bureaucracy destined to stumble, and perhaps to fail.

PAUL C. LIGHT, the Paulette Goddard Professor of Public Service at New York University's Robert F. Wagner School of Public Service, has frequently testified before Congress on the Homeland Security merger. He is the author of *The Four Pillars of High Performance* (2005).

The product of the largest and most complex governmental merger since the creation of the Department of Defense in 1949, it was cobbled together by White House aides in just a few frenzied weeks.

With 180,000 employees and a \$43 billion budget, the department is a collage of 22 distinct government agencies drawn from different corners of the federal organization chart and glued together into a single, largely dysfunctional unit. Even as they continue doing all the unrelated tasks they brought with them—from screening airline passengers for weapons and explosives to administering the national flood insurance program and rescuing boaters in distress—its component agencies have been

**HOMELAND SECURITY IS a collage
of 22 distinct government agencies
glued together into a single, largely
dysfunctional unit.**

directed to make defending the nation against terrorism their top priority. It is as if a group of widget makers were brought together in a private-sector merger and told they must now start producing software.

Homeland Security is still striving simply to win the hearts and minds of its own employees. Many of them do not doubt that defending against terrorism is an important mission, but they do not necessarily see it as the primary job of their particular unit. It is no wonder they think this way. Only 65 percent of the department's budget is spent on programs properly defined as homeland security. That points toward the fundamental problem. The Department of Homeland Security includes bureaucratic pieces that do not belong in an organization designed to protect the nation from terrorism. It may have a mission statement, but it lacks a unified mission.

Secretary Michael Chertoff recently reminded Congress that it took 40 years for the Department of Defense to finally come together—and that was after the first secretary committed suicide. But the nation does not have four decades to wait for the Department of Homeland

Security to succeed. There are important steps that can be taken now.

Homeland Security was born in the wake of 9/11 in a climate of fear and shared determination to prevent fresh terrorist attacks, but political considerations were never far from the forefront. Congress and President George W. Bush agreed on the need to coordinate the agencies that would caulk the borders and track those the president had labeled the “evil-doers.” Yet the administration hoped to deflect calls for what Vice President Dick Cheney dismissed as a “big government” approach by recruiting former Pennsylvania governor Tom Ridge in October 2001 to head a tiny White House Homeland Security Council.

Ridge himself soon concluded that his office was not strong enough to do the job and began pushing for a merger of the Border Patrol, the Customs Service, and the Immigration and Natural-

ization Service (INS). As Ridge later told *The Washington Post*, “The only person at the time that thought it was a good idea was yours truly.”

The Democrat-controlled Senate was already well ahead of Ridge. The Senate Governmental Affairs Committee held its first hearings on the need for reorganization the day after the 9/11 attacks, and in the spring of 2002 recommended the creation of a cabinet-level department. The proposal focused primarily on border security, with elements of the Border Patrol, the Coast Guard, the Customs Service, the Federal Emergency Management Agency (FEMA), and the INS at its core.

Much as it opposed a new department, the Bush administration felt it could not let the Senate Democrats take the lead on homeland security, especially not with the congressional elections looming in November. By early spring, the White House had decided to design its own merger.

It could not be just any merger, however. According to a 2005 retrospective by *Washington Post* reporters Susan B. Glasser and Michael Grunwald and a study last year by four researchers at the Naval Postgraduate School's Center

for Defense Management Reform (*Legislating Civil Service Reform: The Homeland Security Act of 2002*), the White House concluded that if it wanted to take back the homeland security issue, nothing but the biggest merger in modern history would do. Ignoring warnings of bureaucratic train wrecks and a clash of cultures, the administration put five White House aides to work on designing a maximum merger.

Selected for their loyalty more than their collective knowledge of government reorganization, the Gang of Five—or the G-5, as its members liked to call themselves—included a future Internal Revenue Service commissioner, a National Guard major general, and three other mid-level aides. But experienced or not, the G-5 was given firm instructions to think big. “The overriding guidance,” G-5 member Bruce M. Lawlor later told the *Post*, “was that everything was on the table for consideration.”

The members of the G-5 took their mandate seriously, and began searching the federal organization manual for merger targets. Although the G-5 used the Senate proposal as a foundation and certainly knew enough to get started, the planners soon strayed far from the notion that the new department should be built around agencies with similar missions. What about adding the Federal Bureau of Investigation (FBI)? The Secret Service? The National Guard? The Drug Enforcement Admin-



Only a few barriers are in place along the 1,951-mile-long U.S.-Mexico border. Plans to install hundreds of miles of additional fence and new “virtual” border technology such as cameras and drones are years from completion.

istration? The Federal Aviation Administration?

The choices seemed endless. The G-5 even considered detaching the Lawrence Livermore nuclear research laboratory from the Department of Energy and slipping it into Homeland Security. Richard Falkenrath, a G-5 member, simply called up a friend and asked which laboratory might

fit: “He goes, ‘Livermore.’ And I’m like, ‘All right. See you later.’ Click.”

It was all part of the maximum-merger zeitgeist. More agencies equaled a better reorganization.

THE SECRECY CAME AT a price. As the G-5 proposal took shape in the White House basement, it was shielded from what could have been useful scrutiny.

Even Cheney offered suggestions. According to Lawlor, the G-5 started out with the eight agencies already in the Senate bill. “Then the vice president came along and said, ‘You’ve got to do something more about bioterrorism.’” Other White House aides also weighed in, later leading one anonymous insider to criticize the merger as the work of “people who didn’t know a whole lot about the boxes they were moving around.”

Throughout the process, the G-5 operated in secrecy. That provided what one G-5 member called “freedom of deliberation” and protected the group from attack, especially by the affected agencies. “Everybody realized the agencies were not going to look at mission first; they were going to look at turf first,” Lawlor recalled.

The secrecy came at a price. As the G-5 blueprint took shape in the White House basement, it was shielded from what could have been useful scrutiny. As Falkenrath remembered, there were dozens of questions during his first encounters with congressional staff after weeks of hush-hush tinkering. “Every one of these staffers had some little angle on something that we hadn’t thought of. I was like, ‘We better go figure out what we’ve missed here.’”

The secrecy also showed in the holes in the department’s organization chart, notably in the failure to provide for a high-level policy planning unit of the kind normally found in a cabinet department. Policy planning staffs typically look at department-wide issues and take a longer-term perspective than bureaucrats charged with day-to-day responsibilities. When they work well, they can serve as the strategic brain trust of a department. Lacking such a unit,

which was not created until a Chertoff-sponsored reorganization in 2005, the new department would be able to implement strategic plans, but not make them.

The G-5 also forgot to create the post of chief intelligence

officer. Without a top official to provide leadership, the department’s tiny intelligence unit drifted for its first three years. That post, too, was finally created in 2005, but a second handicap remains. The department is not authorized to collect intelligence on its own but must rely on the FBI, the Central Intelligence Agency,

and a host of other sources in order to create a picture of potential threats to the homeland and plan its next moves.

June 6, 2002, was a very important day for the White House. Not only was it the date chosen to announce the creation of the new department, but it was also to be the moment when FBI agent Coleen Rowley would testify before the Senate Judiciary Committee about her office’s aborted efforts to investigate Zacarias Moussaoui, who had paid cash to train on a Boeing 747 flight simulator in Minnesota less than a month before 9/11. Rowley had been rebuffed by her supervisors when she asked for permission to seek a warrant to search Moussaoui’s laptop computer.

It was precisely the kind of testimony that would dominate the front pages. But the story was easily eclipsed by the White House proposal. Under the Bush administration’s rollout strategy, Ridge released the proposal the morning of the 6th, an assortment of White House aides and enthusiastic members of Congress made the rounds of the major television outlets in the afternoon, and Bush made a nationally televised speech at 8 PM. By the next morning, the president was back in charge of the homeland security issue. He signed the White House bill into law on November 25.

When the new Department of Homeland Security formally opened for business in March 2003, the facts of geography revealed an unhappy truth about its position in the Washington power matrix. At his new headquarters in an old Navy annex building tucked away in

the northwest corner of Washington, Secretary Tom Ridge was miles away from the White House, the Capitol, and the headquarters of other federal departments, not to mention the nearly two dozen separate organizations that were now part of his new department.

Even Ridge came to wonder about the scope of the reorganization. "The notion that everyone was going to join hands and sing 'Kumbaya,'" he later told *The Washington Post*, "I don't think anybody in our leadership expected that to happen. And it didn't." It still hasn't. Turf wars over budgets and staffing rage inside the department, especially among the remnants of the Customs Service and the INS, which have similar missions. On Capitol Hill, congressional committees and subcommittees refused to reshape their jurisdictions to match all the organizational shifts that occurred when agencies were wrenched out of their old homes. Last year, as a result, department officials were required to testify before 70 different congressional units. And in the federal budget process, top administrators have been forced to fight for every spending increase.

There is nothing quite like the Homeland Security merger in the history of the federal government. The creation of the Defense Department after World War II involved more people, but the Homeland Security merger involved many more agencies, split and recombined many of their component parts, and, astoundingly, demanded that they focus on a mission almost none of them had ever dealt with before: combatting terrorism.

Moreover, Congress wanted the new department to operate without any budget or personnel increases. Savings were supposed to come from the elimination of duplication and overlap. The department's different agencies were expected to incorporate the war on terrorism into their existing missions, and somehow find enough dollars and employees to add it to their already complicated mandates.

The merger combined some of the best and worst agencies in the federal government. Indeed, some of the pieces of the Homeland Security collage were thrown in chiefly to ensure that the department was not composed only of sub-par performers. In its "Government Performance Project" series, which concluded just before the merger, *Government Executive* magazine rated the Coast Guard one of Washington's most successful agencies, applauding its planning, esprit de corps, and ability to do more with less. It also rated

A Big Agenda

Weapons of Mass Destruction

This is "the gravest danger facing America," according to the Department of Homeland Security. Plans include a ring of radiation detectors 50 miles from Manhattan. Technology is a limitation: Today's detectors can be triggered by banana peels and often miss nuclear materials. The multibillion-dollar Project BioShield effort to create defenses against viruses, toxins, and chemicals has produced few results.

Aviation

DHS screens 730 million people traveling on commercial airlines each year—and all 700 million pieces of their checked luggage. But federal investigators with bomb-making materials successfully passed security at all 21 airports tested last year.

Critical Infrastructure

This year, DHS will award \$445 million in grants to protect everything from ports to commuter rail lines against threats such as bombs and biological weapons.

Border Protection

Though the spotlight shines on the Mexican border, terrorists have sought to enter the United States from the north. Each day, 18,000 trucks cross the Canada-U.S. border. No passport is necessary until 2009.

Pandemic Outbreak

Avian flu is a top concern. In February a Food and Drug Administration panel endorsed the first vaccine, though it had been successful in less than half of the clinical trials.

Cyber Security

Viruses and other forms of attack on computer networks cost some \$50 billion worldwide each year. The National Cyber Security Division of DHS leads collaboration between the public and private sectors to combat technological infiltration.

Natural and Manmade Disasters

Nine of the 10 most costly presidentially declared disasters have been natural—either hurricanes or earthquakes. September 11, number two on the list after Hurricane Katrina, is the sole exception.

FEMA near the top of the class. But the magazine's reporters rated the Customs Service as average at best, citing its antiquated information technology and problems collecting and accounting for duties, taxes, and fees. And they reserved their harshest assessment for the INS, noting among other things its long history of mismanagement, top-heavy bureaucracy, and decaying detention facilities. The Transportation Security Administration (TSA), with its 43,000 airport security screeners and other personnel, was too new to be rated.

HOMELAND SECURITY'S leaders have less access to information than many state and local security offices.

Adding to the turmoil, Homeland Security has experienced extraordinary personnel turnover. In its first four years, the department has gone through two secretaries (Ridge resigned late in 2004), three deputy secretaries, eight under secretaries, three FEMA administrators, four TSA administrators, a dozen assistant secretaries, hundreds of senior executives, and nearly 100,000 civil servants, many of whom left the baggage and screener lines in search of higher pay.

It is surprising that a department built around this uneven inventory of assets and liabilities was able to design a logo and seal, let alone create a sense of common identity across its agencies. It is even more surprising given the 22 personnel offices, 19 financial systems, 13 contracting units, and eight payroll processes that its agencies brought with them, along with every uniform color in the spectrum, from Coast Guard blue to Border Patrol green.

Many of Homeland Security's problems came to the fore in the summer of 2005, during Hurricane Katrina, when virtually everything that could go wrong did. FEMA was late in responding to the catastrophe, and the White House ignored the obvious need for action. It is well known that FEMA was led by a group of inexperienced political appointees headed by

Michael Brown, fresh from an unsuccessful stint as commissioner of the International Arabian Horse Association. But there were other factors involved. FEMA's natural disaster budget was in shreds after three years of cutbacks designed to free money for antiterrorism efforts. It had lost dozens of experienced senior executives. Buried deep in the new department's organization chart, FEMA lacked the direct access to the White House it had once enjoyed. Moreover, the agency had been stripped of its responsibility for preparing the nation for natural and terrorist disasters

only weeks before Katrina as part of Chertoff's reorganization, so its executives lacked the key connections with state and local officials that might have accelerated its response.

Although Congress recently restored at least part of FEMA's independence,

including its direct line to the president and its preparedness duties, terrorism still consumes three-quarters of its budget, leaving few resources for the next Katrina.

It is still too early to declare the Homeland Security merger a failure. While we do not know how much credit the department can claim, the United States has not suffered another terrorist attack on its soil. The department has produced notable gains in border security. Most U.S. seaports will have radiation detectors within three years, airplane cockpit doors are impenetrable, and the Border Patrol is still catching illegal immigrants. The department has regained at least some of the productivity its components lost at the start of the merger, and it has built some of the missing parts the G-5 neglected to create.

It is also making progress in its partnerships with state and local governments, particularly through the "fusion" centers that blend information from state and local law enforcement with intelligence from federal sources. Secretary Chertoff's reorganization in 2005 finally gave the department two essentials, a policy planning staff and an intelligence chief, as well as a much greater sense of shared purpose.

Yet Homeland Security still falls short. In coping with the great uncertainty involved in defending against terrorism, four characteristics are vital: alertness, agility, adaptability, and alignment around a core mission. Alert-

ness depends on access to information, and the department is still fighting for that. It has been forced to rely on the cooperation of strangers in the intelligence community to find out what it needs to know, a disadvantage that has been compounded by the fact that the community's own reorganization under the national director of intelligence has been highly contentious. The department is often the last to know, and its leaders have less access to information than many state and local security offices (which, ironically, are funded by the department itself).

Despite the TSA's quick reaction to last summer's terrorist plot to bomb U.S.-bound airplanes with liquid explosives, the department as a whole has a well-deserved reputation for poor agility and missed deadlines. The long-promised "virtual border" composed of drones, pole-mounted cameras, satellite monitors, and 700 miles of two-layered fence at selected points along the U.S.-Mexico border is years away from implementation; new technology for inspecting seaborne cargo containers is proving much more expensive than expected; and a promised "bioshield" for protecting the nation from biological attacks and pandemics is still an expensive dream. And none of these projects will necessarily prove effective.

In its lagging effort to improve adaptability, the department is still looking for a reasonable rate of return on the billions it has spent seeking new technologies to further its mission, including radiation detectors for the borders, information technology for tracking foreign tourists and students as they enter and exit the country, and cameras that can detect illegal immigrants as they cross the border. Homeland Security's research directorate, with a limited staff and an inadequate \$800 million budget, is still struggling to integrate the eight research programs that were merged under its authority.

Finally, the department has yet to resolve the tensions



Hurricane Katrina was a management disaster for the federal government. The cartoon president echoes then secretary of defense Donald Rumsfeld's widely criticized response to charges that U.S. troops in Iraq were ill equipped.

among the competing missions its agencies brought into the merger. Just visit the Coast Guard's homepage (www.uscg.mil) on any given day and read its news summary, which reports such things as emergency rescues, ice-breaking work, and environmental protection efforts, but rarely anything about terrorism. To be a truly unified department, Homeland Security will need to create a department-wide identity around one all-encompassing mission.

The department's creation followed standard Washington procedure in moments of national crisis. New missions demand new bureaucracy, and the bigger the mission, the bigger the bureaucracy. The conventional wisdom also holds that a seat at the president's cabinet table provides a fulcrum to leverage greater coordination while creating the high visibility that is needed to get big jobs done.

Sometimes a new bureaucracy *is* essential to success. Every one of the federal government's greatest achievements of the past half-century involved at least some new bureaucracy—the National Aeronautics and Space Administration helped the United States win the space race in the 1960s, the Environmental Protection Agency opened a new era in clean air and water in the 1970s, and dozens of other agencies such as the Centers for Disease Control and

Prevention and the National Institutes of Health have produced stunning gains in Americans' lifespan. But sometimes a new bureaucracy can turn out badly. Thirty years after its launch, the Energy Department is still in disarray, and still searching for a coherent policy to end the nation's addiction to foreign oil.

Congress and the president now face a simple choice. They can either hope the merger will eventually work out or undertake an ambitious new reorganization. The chief

fire departments buy new equipment and educate the public on fire prevention, as well as the \$3 billion state and local grants program, which provides the dollars for preparedness for both natural disasters and terrorist attacks.

The department could also merge two of its other bureaus, Customs and Border Protection and Immigration and Customs Enforcement. Both share law enforcement responsibilities, focus on the same entry points, and undergo similar training. Although such an internal

merger would introduce its own costs in lost productivity in the short term, the longer-term benefits for border security would outweigh the costs. The two agencies have been squabbling for the past four years about budgets and responsibilities, in part because they overlap so much.

Set some agencies free.

After more than 200 years of operating first within the Treasury Department and later within the Transportation Department without a break in performance, the Coast Guard has earned its independence. It not only has one of the broadest missions in government, it also has some of the most pressing needs for modernization. Its efforts so far have produced an undue number of horror stories about delays, cost overruns, and bad management by the Coast Guard and the rest of the Department of Homeland Security. Given its freedom, the Coast Guard could pursue modernization without constant worries about the antiterrorism agenda.

The more one looks at the Department of Homeland Security, the more one admires the parsimony of Tom Ridge's original proposal for an agency with a highly focused border security agenda. Instead of taking on a host of unrelated missions, such an organization could spend its time and resources on a much more sharply defined mission. Ridge may have been the only one who thought it made sense, but it looks more and more like the kind of department that could work.

Homeland Security can still become one of the federal government's success stories. This organization born in a fever of necessity and politics can be repaired if common sense is allowed to prevail. The price of failure is too high for the country to shoulder. ■

THE COAST GUARD'S modernization efforts have produced an undue number of horror stories about delays, cost overruns, and bad management.

goal would be to tighten the department's focus on a single core mission of preventing terrorism, with the related task of dealing with natural and terrorist disasters. There are three ways to do it:

Give some agencies back to their original owners.

Although all Homeland Security agencies share at least part of the same mission, many share so little common ground that they should go.

There is no reason that the Secret Service should stay in Homeland Security, for example. In addition to protecting the president and other top officials, it guards against counterfeiting and financial fraud. It was perfectly comfortable as a quasi-independent agency housed in the Treasury Department, as was the Federal Protective Service, which guards federal office buildings, as part of the General Services Administration, the Federal Law Enforcement Training Center, as part of Treasury, and elements of the Animal and Plant Health Inspection Service as part of Agriculture.

All could easily move home, thereby reducing the span of the department to a more manageable number of agencies and offices.

Reduce the number of agencies through internal mergers. Assuming that it rebuilds quickly, FEMA could easily absorb the department's entire preparedness bureaucracy, including the Fire Administration, which helps local