



These 8 federal agencies are the worst. Here's how to fix them

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Conservatives running for president always cite waste in Washington as reasons to shrink and reform the federal government. And 2015 gave them piles of ammunition.

From the historic breach of 22 million personnel records to the systemic failure to take care of veterans to outrageous shenanigans among Secret Service agents, federal agencies are acquitting themselves poorly these days.

What follows is a rundown of the eight worst agencies. But this list is by no means comprehensive. Others could join, but this is a magazine, not a phonebook. The list also includes the number of employees deemed essential during the 2013 shutdown.

And while it's easy to take potshots, fixing the problem by simply abolishing the agencies is politically unlikely. So the *Washington Examiner* spoke to experts who offered real solutions. Most involve common-sense reforms, increased oversight or drastic reductions.

Department of Education

2016 budget: \$79 billion

Employees deemed essential: 6 percent, about 250 employees

Local control for highways and schools

Over the course of its 36 years as a Cabinet-level agency, the Department of Education has spent more and more taxpayer money with no improvement in academics, figures show. The department will spend \$79 billion in fiscal 2016, nearly twice as much as its budget in 1980 (after adjusting for inflation).

Despite all the extra spending, scores on the Nation's Report Card haven't budged. For 17-year-olds, math scores have improved by only 1.6 percentage points from 1982 to the most recent test.

In reading, scores are up 0.4 percentage points since 1980. For decades, the department has failed at its self-described mission "to promote student achievement," critics say.

The Department of Education had 4,137 employees as of August, with a total payroll of almost \$100 million. Fewer than 250 of those employees would be deemed essential in case of a government shutdown, less than 6 percent of the total staff. Even then, federal student aid would continue to flow, as would the federal portion of K-12 education funding. Most students wouldn't even notice if 94 percent of the department's staff were furloughed during a government shutdown.

In 2015, eight years overdue, Congress finally reformed the federal role in education when it passed the Every Student Succeeds Act. It is one of the few issues upon which congressional Republicans, teachers unions and President Obama have been able to agree. Everyone agreed the federal role in education should be significantly limited. Rather than having federal definitions and prescriptions for failing schools, states now have the power to create their own plans, as long as they come up with something.

Since it became a Cabinet-level agency 36 years ago, the Department of Education has spent more and more taxpayer money with no improvement in academics, figures show. (AP Photo)

The department, through conditional waivers from No Child Left Behind's punishments, had been directing states on how to reform education. Senate Education Chairman Lamar Alexander, R-Tenn., said the department had been acting as a "national school board" and hailed the Every Student Succeeds Act for ending the "Common Core mandate." Along with the Race to the Top grants, the conditional waivers were used to pressure states into adopting the controversial education standards.

K-12 education aside, few are pleased with the status quo on student aid for higher education. Take a look at reform proposals from presidential candidates. Conservatives argue that federal student aid only prompts schools to raise their fees and thus increases tuition costs. Hillary Clinton and Bernie Sanders want to double down on that aid with debt-free and tuition-free public college, respectively. On the Republican side, Jeb Bush would give high school graduates a \$50,000 line of credit for college or career training, which would be repaid through their income taxes over 25 years. Marco Rubio would make income-based repayment the standard in federal student loans, so loan payments are proportional to what borrowers earn.

Many conservatives are quick to say the Department of Education should be abolished. For example, Ted Cruz included the department in his list of five agencies that must go.

It's important for the department and its programs to be eliminated, rather than just shifting it into another agency, said Neal McCluskey, who directs the Center for Educational Freedom at the libertarian Cato Institute. "It doesn't mean much if you just get rid of the department and you keep all the programs, and you move all the programs to [the Department of Health & Human

Services]," McCluskey told the *Washington Examiner*. "It's the programs that are ultimately the problem."

McCluskey said only two Department of Education activities can be justified: the Office for Civil Rights, to enforce the 14th Amendment, and Impact Aid, which gives federal funds to school districts that are burdened by nearby federal installations such as military bases or large science labs. Even then, the department doesn't perform those two activities particularly well, McCluskey said, but at least they're justifiable.

In the ideal world, McCluskey would simply get rid of the department. "What the federal government does in education, largely through the Department of Education, is unconstitutional. As important, we don't have evidence it's really helping. So why should it continue to do any of this?"

That doesn't seem possible with today's political reality, though. The only plausible reductions might involve reforms of some of the department's lesser functions. Even then, there would be horse-trading between the GOP and Democrats. Perhaps Republicans would give up on 529 college savings plans and Democrats would give up on PLUS loans for parents and graduate students. Who's to say a government expansion, possibly on pre-kindergarten, wouldn't be the Democratic demand instead, though?

Rick Hess, director of education policy studies at the conservative American Enterprise Institute, agrees that most federal education programs won't get cut by Congress, even if Republicans had complete control. "It's not a serious conversation," Hess told the *Examiner*. "But what you can do is, legislatively, you can absolutely pin back the arms of the Department of Education so they have a very precisely defined, very narrow role."

Furthermore, the department itself could be reformed by the next president, thanks to the Every Student Succeeds Act. "It clearly reduces the role of the federal government in overseeing what's going on, and that should absolutely allow for downsizing."

Of the department's 4,137 employees, "many of those jobs don't have to exist," Hess said.

Even if some of the major federal programs continued, it could be done by a smaller office that makes sure federal funds go where they're supposed to, are spent appropriately and spent transparently. "You could probably pare this thing back to an organization ... that could probably run comfortably with about 150."

Environmental Protection Agency

2016 budget: \$8.14 billion

Employees deemed essential: 7 percent, or 1,072 employees

The EPA has become mired in a combination of never-ending litigation over the extent of its authority, and flat-out scandal. (AP Photo)

The Environmental Protection Agency, for its part, has become mired in a combination of never-ending litigation over the extent of its authority, and flat-out scandal.

In August, the agency got itself in a pickle when it caused a massive blowout at a mine in Colorado. The result was the most memorable manmade disaster in the U.S. in 2015. The EPA took blame for spilling millions of gallons of heavy-metal-tainted sludge into the Animas River and the waterways of three states.

Newspapers and cable news networks continued to show water that looked more like gold-orange paint. And since then, the EPA has been plagued by a constant drip of congressional hearings, congressional investigations, probes, lawsuits and rumors of lawsuits.

House Natural Resources Chairman Rob Bishop, R-Utah, has led the charge against the agency. A Feb. 11 report issued by the committee concluded that the spill was a result of the EPA's "negligence" and recommends that the agency be effectively banned from conducting the type of cleanup it was attempting at the mine when it caused the blowout.

Farther east in Flint, Mich., EPA stepped into another doozy of a scandal involving water contamination once again. The agency was called in last year to help the state with a problem it got itself into when it took control of the town of Flint's water supply. In an attempt to cut cost, a governor-appointed emergency manager chose to take water from the notoriously contaminated Flint River to serve as Flint's drinking water supply. The acidic water ate through the lead lining of the water distribution pipes, sending lead into the town's water supply at dangerously high levels.

The EPA knew about the contamination, but chose not to disclose the danger to the public. The agency's regional director overseeing the Flint crisis resigned over the cover-up, which EPA Administrator Gina McCarthy characterized as "courageous" at a Feb. 11 House Agriculture Committee hearing. On Feb. 12, emails from an EPA official were released that showed the agency was prepared to allow lead-contaminated water to be used by the city into 2016.

The Flint crisis/scandal has since bogged down legislative action in the Senate over an amendment pushed by the Michigan delegation to aid Flint. Senate Republican Majority Whip John Cornyn of Texas has also initiated a probe into the EPA's handling of the Flint water crisis.

Water issues continue to be the source of a deluge of woe for the EPA. Last year, it finalized a regulation that has drawn a broad range of groups, states and lawmakers into opposition. The regulation in question, Waters of the United States, has drawn numerous attempts by lawmakers to drown it. All were without success, until federal judges in the Sixth Circuit stayed the rule until it could figure out the extent of the harm it could cause. Critics say the rule oversteps state

authority and makes private landowners subject to EPA enforcement action by designating ditches as waterways.

Moving away from water, the agency continues to find itself in the crosshairs for enacting the crown jewel of the president's climate change agenda, called the Clean Power Plan. Twenty-nine states, well over half the country, are suing the agency in the D.C. Circuit Court of Appeals to roll back the rule as an affront to states' rights and the Constitution. The Supreme Court stayed the Clean Power Plan on Feb. 9 in a shocking defeat for the president and his agenda. The administration tried to play down the defeat as "procedural," but state attorneys general were adamant that the victory was nothing less than a vindication of their arguments.

The agency's Renewable Fuel Standard has also faced a near breakdown in the last year. Faced with the possibility of mandating higher blends of ethanol that would harm vehicle engines, the agency provoked the ire of the renewable fuels industry by proposing cuts in the amount of fuel refiners have to blend.

Republicans and Democrats have introduced legislative proposals to reform the program or outright repeal it. Nothing has passed, but the lawsuits are piling up against the EPA. The ethanol industry is suing the agency for essentially getting cold feet and lowering the amount of ethanol allowed in the market, which they say is illegal under the Clean Air Act.

The refiners are suing the agency because they say the cuts the EPA has made weren't deep enough, and the agency needs to roll back its standard.

Ozone rules, the EPA's new regulations for smog, also are a captivating force for lawyers looking to sue the agency. Greens are suing the agency because the regulations made law last year were not strict enough. Hailed as the most expensive regulations in history, industry is suing because they argue they are too strict. As a twist, industry groups have come to the EPA's aid in the lawsuit by the greens.

Tom Pyle, director of the conservative American Energy Alliance, says in addition to the EPA's far-reaching regulations that need to be reined in, "the whole agency needs to be reorganized."

For example, his group has proposed a host of streamlining proposals in recent years targeting the National Environmental Policy Act review process, known as NEPA.

The NEPA review process has become a key target for critics who see it as an overly burdensome and duplicative process for permitting energy and infrastructure projects.

Pyle's group also would like to see more EPA assistance given to states in complying with strict rules for downwind emissions, as well as steps taken to avoid jurisdictional disputes between the EPA and other agencies in getting project approvals.

Pyle says regulations like the Waters of the U.S. and the Clean Power Plan, unfortunately, will take the courts to decide. Although he said the courts continue to warn the EPA that it is going beyond its statutory authority, the agency continues to propose far-reaching and burdensome regulations.

He also would like to see Congress "bone up" on the foundation of its carbon dioxide regulation, the endangerment finding and propose legislation to reel in the agency on how far it can go on regulating greenhouse gases.

Department of Health and Human Services

2016 budget: \$80 billion

Employees deemed essential: 48 percent, or 39,500 employees

The Department of Health and Human Services is a massive agency that includes the Centers for Disease Control and Prevention, Centers for Medicare and Medicaid Services and the Food and Drug Administration.

Most notably, HHS is responsible for the implementation and oversight of Obamacare. The agency took much of the blame for the botched rollout of healthcare.gov back in 2013.

Even though the website is running fine now, there are still some problems with the department's handling of the healthcare law. For one thing, the Obamacare exchanges where people buy insurance aren't properly vetted, according to HHS' federal watchdog the Office of the Inspector General.

The marketplace had problems last year verifying the eligibility of an applicant for subsidies under the healthcare law, the watchdog said in a report to Congress. Essentially HHS did a poor job of reviewing applications to determine if the applicant was in jail, as well as validating Social Security numbers, citizenship or the size of the applicant's family.

CMS agreed to improve procedures and the systems for verifying such applications.

The agency was also in hot water last year for the management of the 23 consumer-operated-and-oriented plans that offer Obamacare plans on the exchanges. About 12 of the plans shut down last fall, citing a lack of federal funding as a primary reason.

But Congress and an investigation by the OIG criticized the CMS management of the co-ops, which caused hundreds of thousands of people to pick new plans in the latest open enrollment.

For one thing, the agency doesn't have established guidance or criteria on what exactly makes a viable co-op, which are taxpayer-funded healthcare plans.

So far, the federal government has lost more than \$1 billion due to the co-op closures. CMS officials have said they will do whatever they can to recoup the money.

CMS doesn't just oversee Obamacare, it is also responsible for managing Medicare and Medicaid, large federal programs that are ripe for abuse.

The two federal programs that provide healthcare to the poor and seniors take up about 86 percent of HHS' total budget of \$82 billion in discretionary funding proposed for fiscal 2017.

The federal government recovered about \$2.2 billion in Medicare and Medicaid fraud and other civil penalties. A specialized Medicare task force collected \$357 million from abusers of the federal healthcare program.

But while progress has been made, questions have arisen over the extent of the HHS' ability to clamp down on Medicare and Medicaid fraud.

In 2014, Medicare paid out \$554 billion for healthcare and other services, but \$60 billion (about 10 percent) was paid improperly, according to a report from the Government Accountability Office.

The GAO's investigation found multiple problems with CMS' verification process. For instance, it found 23,400 of 105,234 doctor practice location addresses were ineligible.

HHS took much of the blame for the botched rollout of healthcare.gov back in 2013. (AP Photo)

A doctor needs a physical location, but GAO found one address that received a payment was just a mailbox within a UPS store.

Members of Congress have criticized CMS for the lapses. Sen. Susan Collins, R-Maine, said during a July Senate hearing that in 1990, the GAO called Medicare a high-risk program.

"Why after so many years does Medicare remain unable to distinguish between legitimate healthcare providers seeking payment for services rendered and con artists looking to scam the system?" she asked.

Part of the problem is that con artists have grown more sophisticated and CMS has not, Collins said.

For instance, the software used by CMS to verify addresses doesn't work to verify vacant lots, burger joints or UPS boxes, she added, saying that Google Maps would work better.

But CMS isn't the only agency to get complaints from Congress.

The FDA is also under the agency's umbrella and gets a hefty dose of criticism from Congress thanks to the stretch of its purview. The agency regulates food, drug and device safety and approves new medications and medical devices.

A common complaint is that the FDA doesn't approve either drugs or devices fast enough.

The agency has tried to address this through a comprehensive user-fee program, where the industry pays the agency, which in turn hires more people to review applications faster.

The FDA has five-year agreements for user fees surrounding medical devices, generic and brand name drugs, animal drugs, biological drugs and even for food facilities. Congress hasn't approved the last one.

The agency has grown more reliant on such user fees to fund operations. The FDA's 2017 budget request of \$5.1 billion includes \$2.3 billion in user fees.

But the agency has been criticized for failing to abide by the terms of its agreement with industry, especially when it comes to generic drugs.

Rep. Blake Farenthold, R-Texas, badgered the FDA during a recent hearing on high drug prices as to why it hasn't done enough to get generics out fast and create more competition in the marketplace and drive down prices.

The Senate is in the midst of passing a series of bills to ramp up approval for drugs and devices to help advance new cures to market. But not everybody is upset with the approval times at the FDA, as public advocates charge that any faster approval pathway will forego safety for getting a product to the market.

The Senate Health, Education, Labor and Pensions Committee is set to consider two bills on March 9.

"The bills would advance dangerous provisions weakening the FDA's power to regulate medical devices," said the advocacy group Public Citizen. "One measure would lower approval standards for products that combine devices with drugs or biological products, and the other would pressure the FDA to take shortcuts that would lower the quality of information available for FDA review of medical devices. Both bills should be rejected."

Internal Revenue Service

2016 budget: Just under \$11 billion, nearly \$2 billion below the president's request

Employees deemed essential: 11.6 percent, or 9,978 employees

Taxation is never popular. But the Internal Revenue Service has managed to become even more despised by Congress and the public toward the end of the Obama era.

Top presidential candidates, such as Texas Sen. Ted Cruz, call for abolishing the agency. It's a winning strategy: Polling from outfits such as Gallup and the Pew Research Center indicates that the IRS' favorability has cratered during the Obama years, and is now more unpopular than any other agency, with the possible exception of the scandal-ridden Department of Veterans' Affairs.

A number of scandals, mishaps and failures have contributed to that decline.

On the one hand, the agency has seen its responsibilities grow rapidly: The number of individual returns it needs to process has grown by 7 million since 2010, and high-wealth individuals and corporations engage in ever-more sophisticated tax planning. Meanwhile, the agency has taken over the task of implementing the Obamacare tax credits, a process marked from the start by controversy.

On the other hand, its funding has been cut by 20 percent over that time, after taking inflation into account, with double-digit declines in staff. It's conducting the fewest audits it has in a decade. The percentage of callers calling for help with their taxes and getting it has plummeted from nearly three-quarters to under 40 percent, while the average wait time has tripled to over half an hour, according to the Government Accountability Office.

Yet the IRS has no standing in Congress to ask for additional funding, in large part thanks to a political targeting scandal that has enraged Republicans.

Just over 1,000 days ago, Lois Lerner, then a high-ranking IRS official, acknowledged that the agency targeted political nonprofits associated with the Tea Party or conservatives for heightened scrutiny regarding their tax-exempt status.

Controversy over whether and how the agency stalled conservative groups' applications for nonprofit status raged throughout the 2014 elections. Ultimately, the FBI wrapped up an investigation without filing charges, but Lerner and other officials had to step down from the IRS. A bipartisan Senate Finance Committee investigation concluded that the agency was "delinquent" in running the division that deals with political nonprofits, although Democrats and Republicans disagreed about just what that meant.

The episode left conservatives irate and demanding reform of the agency.

Grover Norquist, the head of the conservative group Americans for Tax Reform, said the IRS should be reformed to keep track of which employees managed incoming claims, create transparency about who made decisions and hold officials accountable for failures.

Norquist said the IRS should have monitoring systems like those in hospitals. "The hospital knows what doctors have looked at anybody's charts, because doctors have a bad habit of checking out their ex-wives and would-be girlfriends and stuff like that which they have no right to look at," he said. "But if that data's all kept, then you could sweep it and see whether somebody's looking at something for which there's no good reason."

Yet complaints about the IRS extend beyond concerns about fairness to ones about competence.

Last year, the IRS announced that as many as 334,000 people had their tax info stolen because of a weakness in the agency's site. Meanwhile, the agency has seen an increase in the number of tax scams, including ones involving IRS agent imposters.

One reform that could address a host of the IRS' problems would be a taxpayer "bill of rights," said Pete Sepp, the president of the National Taxpayers Union, a nonprofit citizen group that has led several legislative campaigns for IRS reforms.

The bill of rights would ensure that taxpayers had the ability to appeal tax rulings, but versions of it could also have helped minimize the damage from recent IRS mistakes, including "quicker remedies when taxpayers have identity theft issues," Sepp said.

But, like other government agencies that recently have suffered massive data breaches, the IRS faces daunting institutional obstacles to tightening its cybersecurity and keeping taxpayer information safe. "It's going to be difficult," Sepp acknowledged.

Office of Personnel Management

2016 budget: \$245 million

Employees deemed essential: 82 percent, or 4,944 employees

Since last year's historic cyberattack against the Office of Personnel Management by hackers linked to the Chinese government, the agency has been beset with congressional inquiries and questions about its management.

"They shouldn't have put records like that on computers in the first place," former OPM Director Donald Devine told the *Washington Examiner*, referencing the data that was stolen on more than 22 million people in connection with applications for security clearances from the federal government. Devine was the agency's director from 1981-85, serving under former President Ronald Reagan.

Congressional investigators have tended to agree with Devine's sentiment, at least with respect to broader cybersecurity practices. Inspector general reports had repeatedly warned that the agency was at risk of cyberattacks since 2007. Former Director Katherine Archuleta was forced to resign as a result of the bipartisan criticism in July, and her successor, Beth Cobert, was approved by the Senate this month.

It remains to be seen whether Cobert will be able to resolve the agency's issues in a manner that is satisfactory to her congressional overseers. A November IG report found the agency violated federal guidelines in awarding a \$20 million contract for identity theft protection services, and

the House Oversight and Government Reform Committee subpoenaed the agency in early February for more information on the security shortcomings that led to its massive hacking.

The most problematic elements of the agency are a product of specific issues related to the breach. Though some in Congress believe the problems are a consequence of mismanagement, the Obama administration believes they are the result of a lack of funding.

In order to remedy that perceived lack of funding, the administration this month proposed more than \$50 million in new funding as part of the agency's fiscal 2017 budget request. That includes \$47 million for renovating or replacing networks and \$4.9 million for cybersecurity related to the agency's inspector general. The proposal also includes an additional \$1.5 million for customer service in OPM's Retirement Services.

By and large, members of Congress have yet to analyze either OPM's component of the budget or, for that matter, any of the proposals pertaining to new cyberspending by the federal government. The Obama administration has not hesitated to bludgeon congressional Republicans on the budget by using the cybersecurity component, saying blame for the next successful cyberattack would fall to them if the budget isn't approved.

However, experts say the solution doesn't necessarily require millions in new spending. Devine, for instance, questions why OPM is storing security clearance data that goes back decades, and why it all needs to be in the digital domain.

"My son received one of OPM's letters saying his information had been hacked, and he's been out of the government for decades," Devine said. "For these investigations, they talk to your friends, your family, it's really just gossip," he added, referencing the 127-page SF-86 background check forms stolen in the breach, which include detailed information about applicants derived from talking to their friends and neighbors.

"That should not be any place anybody should get it, except a few principals and people who are making decisions on a person's suitability or security issues," Devine said.

Though the agency faces an ample number of hurdles, both in terms of management and from Congress, Devine suggests that it can overcome them and go on to run effectively, provided the new director can allocate resources efficiently and has the right objectives in mind.

"It's the way they view their job. If you view your job as protecting the federal workforce, you're going to do it differently than if you view your job as making the government run efficiently," Devine said. "It's a small enough agency that if you have conscientious leadership, and you have a right idea of the job, you can make it run well.

"You just need a strong administrator, and they haven't really had one in a long time," he added.

Secret Service

2016 budget: \$2.194 billion

Employees deemed essential: The agency won't say

Nearly a year and a half after a string of embarrassing security lapses and tawdry personnel practices left the Secret Service reeling, the once-vaunted agency charged with protecting the president is still struggling to get back on its feet.

"It scares me — I don't think they're there yet," Rep. Jason Chaffetz, R-Utah, said of the agency's reforms during a panel at the Brookings Institution in January. "They've got to turn that ship around."

The agency has been under the microscope since mid-2014, when a man wielding a knife jumped the White House fence and made it into the East Room, penetrating the ceremonial heart of the presidential mansion.

The fence-jumping spectacle came after a troubling incident in 2012 in which agents were caught in Colombia hiring prostitutes during a presidential advance trip.

Those two scandals and the controversy surrounding them were enough to pull back the veil on the elite force.

What it uncovered wasn't pretty: a cash-strapped and training-deficient good-old-boys club that operated like a dysfunctional family, doling out uneven punishment and flouting basic agency rules.

And once the Secret Service's unpleasant secrets started spilling out, they didn't stop for months.

Nearly a year after agency officials first vowed to clean up the Secret Services' act, reports leaked that two senior agents were drinking at a retirement party and later disrupted a suspicious package investigation by driving through the area when they returned to pick up their car at the White House later that night.

Congress and the Department of Homeland Security inspector general have spent the past year scrutinizing the agency.

The multiple probes all identified a dearth of training as one of the agency's biggest problems, along with understaffing and poor morale.

Before reforms began last year, each agent averaged just 25 minutes a year in training compared to most major metropolitan police departments where officers spend 10 percent of their time training, Chaffetz said.

An inspector general report last year also found that employees were "overstretched" with many regularly working 13 days of 12-hour shifts followed by one day off work.

Secret Service management has acknowledged that low morale continues to exacerbate the problem as the fewer remaining employees are forced to increase their overtime and travel requirements.

In addition, the flood of employees running for the exits is thwarting plans to hire 1,100 more agents and officers and expand its staff of 6,647 by nearly 17 percent, the biggest hiring increase in more than a decade.

An independent panel in late 2014 recommended that the agency add 85 agents to the presidential protective division and 200 uniformed officers to the staff securing the White House and other facilities.

During a November congressional hearing, Secret Service Director Joseph Clancy said the agency was on schedule to meet those White House staffing levels by early January. But other top officials have acknowledged that applicants' prior drug use and bad credit histories has hampered other hiring goals.

Congress has tried to step in and help out with a hefty cash infusion, providing the agency with \$2.194 billion for fiscal 2016. Those figures included an increase of \$194 million compared to funds allocated for fiscal year 2015.

Most of the additional funds have gone to increase training and hire more agents to help guard presidential candidates in a crowded election year. But it also included \$8 million to build a replica White House to better train agents who previously trained at a parking lot in Beltsville, Md.

In late January, yet another government audit recommended that the agency upgrade its two-way radio systems used at the White House and other locations. The Department of Homeland Security's inspector general found that many of the aging radios were well past their prime "and may not be working as effectively as needed."

Other problems are more systemic.

Sources have repeatedly told the *Examiner* that the top agency brass routinely engaged in a "culture of cover-up," operated in a tight and exclusive clique and failed to punish officers and agents in a consistent manner.

Multiple investigations uncovered the same complaints.

"Management was not held at the same standard as the rank-and-file members. And that's very demoralizing to people," Chaffetz said.

In late 2014, an outside panel found the organization "starved for leadership" and recommended more training and staff, a higher fence around the White House, and, most importantly, a new director from the outside who could change the agency's insular culture.

President Obama, however, has seen things differently. He tapped Joseph Clancy, who he previously chose to lead the agency for an interim period after former Director Julia Pierson resigned.

Obama knew and trusted Clancy, who served in the agency for nearly three decades, including a stint as chief of the agency's Presidential Protective Division early in Obama's presidency, before retiring in 2011.

Critics have openly doubted such an agency insider could effectively usher in the urgently needed reforms.

More than a year later, the jury is still out on that one.

Members of Congress were outraged, for instance, when senior employees illegally accessed personnel records and leaked to the press information showing that Chaffetz, a chief Secret Service critic, had applied to the agency in 2003 and had been rejected.

Some senior agents involved were forced to take 12-day leaves of absence without pay, but remained in their leadership positions.

In addition, an inspector general discovered two Secret Service officers asleep at their posts last fall.

During a Capitol Hill hearing in mid-November, Rep. Bonnie Watson Coleman, D-N.J., pressed Clancy on the steps he's taking to change the agency's culture.

"How are you addressing the need to get our agency to think differently about how we come to work? What we do at work? We don't sleep at work. We don't sex text under any circumstances. You know, we don't look into files that we don't have a responsibility, a need, to look into," she asked.

Clancy responded that he had just instituted a new "crowdsourcing" program on the agency's intranet that allowed employees to send ideas and suggestions on how the agency can operate better.

"It is management, it's my leadership, but additionally, it's the individuals who have to take ownership of this agency," Clancy said.

The response did little to satisfy lawmakers.

"What I'm trying to figure out is how do we shift morale back, and how do we get on top of this?" asked Sen. James Lankford, R-Okla. "Otherwise, it's whac-a-mole with the different issues all the time."

State Department

2016 budget: \$50.7 billion

Employees deemed essential: 100 percent

The State Department has found itself the center of attention over the past year for the misdeeds of its leader that came before Secretary of State John Kerry.

Instead of earning headlines for Secretary of State John Kerry's diplomacy, the State Department has found itself the center of attention over the past year for the misdeeds of its previous leader.

Hillary Clinton's use of a private server to shield all of her official communications has put the agency in the uncomfortable position of having to answer for decisions that were made up to seven years ago by a group of people who have, for the most part, left the department for the campaign trail.

But the politically driven focus on Clinton's emails revealed a systemic failure of the State Department's handling of Freedom of Information Act requests. In fact, the agency has been rated the worst among all federal agencies when it comes to transparency, given its tendency to delay or completely ignore open records requests.

With its image still tainted, at least in the minds of Republicans, by the 2012 terrorist attack in Benghazi, the State Department has struggled to shake public perceptions of failure after spearheading a controversial nuclear agreement with Iran and failing to improve battered relationships with Russia and Israel, among others.

Its deep transparency problems were exposed in a January inspector general report, which found several examples of FOIA requests for politically charged documents that were suppressed by officials who should have had nothing to do with the FOIA process. In 2014 alone, the State Department spent \$2 million of taxpayer money fighting FOIA lawsuits in court instead of simply turning over documents, as the law requires.

Federal lawsuits over open records requests that had been left to gather dust at the State Department nearly doubled between 2014-15 following news of Clinton's private emails. What's more, the agency's backlog of requests exploded over the same time period, growing from 10,965 FOIA requests to 14,489 by the end of 2015.

Elizabeth Hempowicz, public policy associate at the Project on Government Oversight, said outdated policies and a burdensome system of interagency checks slows down the State Department's FOIA responses.

In 2014 alone, Kerry's State Department spent \$2 million of taxpayer money fighting FOIA lawsuits in court instead of simply turning over documents, as the law requires.

"I think two main reasons come to mind that are probably coming into play when we're looking at the State Department," Hempowicz said of the agency's transparency problem.

"Each agency has their own regulations that govern the way they handle FOIA requests," she said. "The State Department rules, I believe, haven't been updated since 2004."

Hempowicz said having rules that are out of sync with current FOIA law, which was updated in 2007, can pose a "huge problem."

"Especially [with the] State Department, a lot of the information they have, they have to consult with other agencies, and that can kind of be a black hole of back and forth between the agencies that slows down the process," Hempowicz said.

Indeed, the requirement that sensitive documents be reviewed by agencies that might also have a stake in them forced the State Department to delay the publication of the final batch of Clinton emails until the end of February.

"I think that if more agencies followed more closely the memo with the presumption of openness that there'd be less time spent fighting over what should be redacted," Hempowicz said, referring to amemorandum issued by President Obama on his first day in office that directed federal agencies to allow openness to prevail "in the face of doubt" over what should be released through FOIA.

Department of Veterans Affairs

2016 budget: \$163 billion

Employees deemed essential: Roughly 95 percent of the agency's 324,000 full-time equivalent employees are essential

The scandal that rocked the Department of Veterans Affairs in 2014 revealed that the agency was systematically lying about how long it was taking veterans to get healthcare, which shocked both parties and prompted a significant reform effort.

But the scandal also set off a series of events that showed the VA to be an agency that fails to hold officials accountable, allows top officials to raid the department for hundreds of thousands of dollars and retaliates against whistleblower employees who are trying to keep the agency honest.

In the meantime, top VA officials have papered over these management failures by claiming it cares about managing the department and getting results for veterans.

According to members of Congress, the VA's single biggest problem is its inability to hold anyone appropriately accountable for these various offenses. The VA sent that signal early on in 2014, when it announced the "resignation" of the VA's undersecretary for health, Robert Petzel.

But Petzel was already scheduled to retire, and the VA's announcement was ridiculed as "doublespeak" that sought to pretend his early retirement was somehow a punishment.

Two weeks later, Eric Shinseki resigned as VA secretary, and with the blood in the water, Congress passed legislation aimed at making it easier to fire senior officials involved in the healthcare scandal. President Obama signed it in August 2014.

But 18 months later, only three people have been fired officially because of the scandal, according to the VA's own statistics. In many cases, the VA has simply failed to pursue action against many who could be held accountable at the dozens of VA medical centers involved in the scandal.

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But in other cases, a federal body called the Merit Systems Protection Board either overturned those decisions, or released them for reasons other than their role in the scandal. Sen. Bernie Sanders, now a Democratic presidential nominee, played a key role in making sure VA employees would have the ability to appeal to the board.

The MSPB itself has made it clear it's not a fan of the law that looks to speed up VA firings, a stance that appears to be a factor in its decision-making. When the law took effect, the body put out a notice saying it had "concerns" about the constitutionality of the law, which it said would prevent "Senate-confirmed officers of the United States government from carrying out the mission of the agency."

In the meantime, the VA has waged a furious PR campaign since mid-2014 aimed at convincing lawmakers, veterans and the public that the agency is back on track.

But veterans and many whistleblowers say the new secretary, Robert McDonald, isn't focused on fixing the agency. Instead, they say, McDonald is busy trying to rebrand it, much in the way

Procter & Gamble, the company McDonald once led, might try to get younger people to use their parents' old laundry detergent.

Within a month, McDonald instituted his "I CARE" program, which seems aimed at repeating to the public that the VA cares about veterans and VA employees. "I CARE" stands for Integrity, Commitment, Advocacy, Respect and Excellence. McDonald has worn an "I CARE" pin to congressional hearings, and always makes sure to draw attention to it.

But as the months went on, it became clear that the VA is still a broken agency. Examples abound:

Lies and misstatements to Congress. Rep. Martha Roby, R-Ala., openly accused senior VA officials of lying to her about people being fired for their role in the healthcare scandal.

And McDonald himself continues to inflate the number of people fired. McDonald has at various times claimed that 60 people were fired over the scandal, or that the VA had proposed discipline for 300 people for manipulating healthcare scheduling. But the VA's own statistics put the number at just a handful.

Massive cost overruns. In March 2015, the VA said a new hospital in Denver that was supposed to cost \$328 million was now expected to cost \$1.73 billion instead.

The VA allowed the top official in charge of construction projects, Glenn Haggstrom, to retire with full benefits and a pension, instead of firing him.

Limiting veterans' choices. The 2014 VA reform law included language allowing veterans to seek care outside the VA system. But just six months after that law was signed, the Obama administration said it wanted to scale back that program.

Last summer, the VA gave Congress just a few weeks' notice that it had a \$3 billion budget shortfall, and that failing to fill it would lead to the closure of VA hospitals around the country. Congress relented and allowed the VA to raid the program meant to give veterans a choice at private care, in order to fund the VA system.

Media shutout. With everything going on, the VA press shop has gone out of its way not to answer questions from reporters. The House Veterans' Affairs Committee makes a point of tracking those stories in which the VA refused to comment.

The VA's website makes it difficult to find their phone number. The VA has been known to respond to routine press questions by asking if they can be treated as a request for information under the Freedom of Information Act, a process that implies several months and redacted answers.

Roughly 95 percent of the VA's 324,000 full-time equivalent employees are essential.

Senior officials raid benefits. Two senior officials have come under question for apparently setting up VA jobs in other cities, and then netting hundreds of thousands of dollars in moving benefits and other expenses.

Diana Rubens, who wrote her own ticket to the Philadelphia VA office, netted more than \$274,000 in taxpayer-funded relocation benefits, while Kim Graves, who organized her own transfer to a VA office in Minnesota, collected more than \$129,000 in benefits. But the VA has refused to fire either employee or make them pay back the money.

In December, the Justice Department said it wouldn't prosecute Rubens, and in February, the MSPB overturned the VA's decision to demote Rubens.

Spying on whistleblowers. In January, evidence surfaced that the VA was tracking whistleblowers by having their emails directed to VA headquarters in Washington, D.C.

The VA admitted emails from whistleblowers were being directed, and said it was an effort to respond more quickly to their complaints. But whistleblowers said none of their complaints were ever being addressed, and said instead that the system seemed aimed at reporting back to their supervisors.

"The divert list is a hit list," he said.

Darin Selnick, who worked in the VA under President George W. Bush and is now senior veterans affairs adviser for the Concerned Veterans for America, said the VA and the Veterans Health Administration can be fixed only by modernizing and re-engineering it.

"The three basic solutions are ... restructure VHA, you've got to give veterans healthcare choices, and you've got to put together a commission to monitor the progress going forward."

For Selnick, restructuring the VHA means separating out the payer and provider functions. He said no other federal agency acts as both payer and provider, and said the VA's attempt to combine the two functions has led to major problems, including extreme difficulty in getting rid of employees because they are part of a government civil service section that protects them.

He said the VA should be structured like other agencies that simply pay for services, and allow the private sector to take up most or all of the demand for healthcare.

Giving veterans a choice is another key requirement needed to keep the VA honest, Selnick said.

"Veterans have to be able to choose because, No. 1, because in principle, veterans should have the same choices as everyone else," he said. "But No. 2, if you don't have competition for that veteran, then you don't have the incentive to fix yourself."