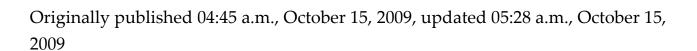
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Top Treasury posts stay empty in financial crisis

Sean Lengell

Treasury Secretary Timothy F. Geithner is trying to lead the U.S. economy out of its doldrums with - figuratively - one arm tied behind his back: Almost nine months after the Obama administration took power, more than half of the 33 highest-level Treasury Department posts are still vacant.

Among those nominated by the White House but still awaiting Senate confirmation are the undersecretaries for international and domestic finance and the assistant secretaries who oversee international development, financial markets and tax policy.

The delays are in line with those under other administrations, but with the economy struggling to recover from the deepest downturn since the Great Depression, the demands for sound policy decisions from the Treasury are anything but ordinary.

"It's a major concern," said Norm Ornstein, a congressional analyst with the American Enterprise Institute, a conservative Washington think tank. "If we have an international economic crisis ... you don't want to have a thin bench."

The Senate has confirmed 11 of Treasury's highest-level appointees, while five officials appointed during the administration of President George W. Bush have been asked to stay on. But eight nominees are awaiting confirmation hearings before the Senate, and Treasury still must select or formally nominate candidates to nine more top-level positions.

Only the Justice Department has a lower rate of confirmation than the Treasury Department among Cabinet agencies.

Political appointees are nominated by the president and typically leave their posts when

another administration takes office. Career employees fill lower-ranking jobs, and their tenure usually is unaffected by who occupies the White House.

Federal agencies typically take months or longer to fill posts at the start of a presidential administration. President Obama's overall confirmation rate for Cabinet-level agencies - including Treasury - is comparable to that of Mr. Bush during his first year in office.

But Mr. Geithner and his department have a lot more on their plate than their recent predecessors did. The department oversees the \$787 billion economic stimulus program, the \$700 billion bank-bailout program and the administration's coordination with other nations on the global financial crisis. The department also has taken an active role in a legislative push to overhaul financial regulation - another Obama priority.

Although career employees temporarily fill some of the vacancies, some say the president does not have enough of his own people in place to advance his ambitious agenda.

"You need people in place - there's only so many things that a [Treasury] secretary can do himself," said Mark Calabria, director of financial-regulation studies at the Cato Institute, a libertarian think thank. "I can't remember the last time they've held a confirmation hearing" for a Treasury appointee.

Many of the department's most senior posts have been filled. They include deputy secretary, filled by Neal Wolin; assistant secretary for financial institutions, filled by Michael Barr; assistant secretary for financial stability, filled by Herb Allison Jr.; assistant secretary for terrorist financing, filled by David Cohen; and general counsel, filled by George Madison.

All three of the agency's inspectors general appointed during the Bush administration have stayed on the job.

Yet an agency top-heavy with high-level political appointees and too few career personnel with strong institutional knowledge of the department is a recipe for problems, Mr. Ornstein said.

"You've got leadership at the top with Geithner and a strong team of deputies," he said. "But having your top leaders who have the authority to make policy ... and don't want to act on their own, for the most part, is really important, especially when you've got so many things to do."

Treasury officials have played down the vacancies, saying that they have enough positions staffed with qualified people to carry out the administration's mission effectively.

"We're actually about where everybody is. It takes time," said a Treasury official who requested that his name be withheld.

Staffers with the Senate Finance Committee, which must approve Treasury nominees before the full Senate can vote, did not respond to requests for comment on the record. But a senior committee aide privately complained that the White House has been slow to deliver paperwork on the nominees required for the panel's vetting process.

With both parties on the committee vetting each nominee separately, the process can get backlogged easily.

"Of those confirmed, nearly all have been reported out or confirmed within eight weeks of the date [the committee] received their paperwork," the aide said.

Committee member and staffers also have been bogged down in recent weeks drafting health care reform legislation, further delaying the confirmation process.

Treasury is not the only federal agency facing significant staff shortages. As of Oct. 1 - 255 days into Mr. Obama's presidency - only 271 of the White House' 403 nominees sent to the Senate for confirmation have been approved, according to the nonprofit White House Transition Project. Mr. Bush had secured the confirmation of 268 nominees by the same date in 2001 - his first year in office.

Many political analysts complain that the confirmation process is so cumbersome that speeding up the current system is almost impossible.

"The system of vetting, nomination and appointment has become totally dysfunctional," said Bill Galston, a congressional analyst with the liberal-leaning Brookings Institution. "The disclosure requirements are ridiculous, and whichever political party happens to be in opposition uses delay as a political weapon."

Mr. Obama's first nominee for Health and Human Services (HHS) secretary, former Senate Majority Leader Tom Daschle, withdrew after it was revealed that he had failed to pay \$140,000 in taxes and interest.

Even presidential nominees who successfully win Senate approval are subjected to an exhaustive, drawn-out vetting and confirmation process that often reveals embarrassing personal skeletons.

The Senate eventually confirmed the president's subsequent nominee to head HHS, Kathleen

Sebelius, but only after she corrected three years of tax returns and paid \$7,000 in back taxes for "unintentional errors."

Mr. Geithner was confirmed only after extended questioning about irregularities in his tax records that surfaced during the nomination process.

"We need a new process, agreed to by both parties," Mr. Galston said.

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