

Mission is Possible Presidential Transition Mini-Series

Episode 2: “I’m Chip Fulghum: I think I’m Going to be your Acting Deputy Secretary”

SASHA INTRO: Welcome back to Mission is Possible. I am Sasha O’Connell and I am thrilled to be introducing this miniseries of the Mission is Possible podcast, a joint project between Guidehouse and American University. This spin off series dives into the world of Presidential transitions and explores what can be expected inside the agencies during this timeframe and how best to prepare for success by talking with the folks who have been there. Thank you for tuning in, and please enjoy.

On this episode, we are pleased to welcome Chris Cummiskey as guest host. Chris serves as a strategic advisor to Guidehouse’s National Security Segment and is the former Deputy Undersecretary of Management and former Acting Undersecretary of Management of the Department of Homeland Security. Chris is joined by Chip Fulghum, former Deputy Undersecretary of Management and CFO of DHS. The two reunite in this episode to share reflections on their experience at DHS undergoing Presidential transitions, and the challenges and successes they faced.

CHRIS: Chip, thank you for joining us today on this special episode of Mission Is Possible.

CHIP: Thanks very much for having me.

CHRIS: Well, I’ve had the privilege of working with you in the past, but our listeners may not know the extensive background that you’ve had in both the Department of Defense, as well as DHS. So, could you give us a little bit of a background so that our listeners can get a sense of the, some of the jobs you have through the years?

CHIP: Sure thing. First of all, I have to tell you that I’m proof that anything is possible. I spent 28 years in the Air Force and retired out of Washington, DC and then came to work at Homeland Security, first as their director of budget as a SES. Then actually it was Chris Cummiskey who called me one night at 6:30 and said that they wanted me to act as the Chief Financial Officer. And so, I did that and then was asked by Secretary Johnson to be CFO and was fortunate enough to be confirmed. I acted a couple of times as the Undersecretary for Management (USM) at one time as the deputy, Under Secretary for Management. And then have acted twice as the deputy secretary at DHS. So, I’ve had a lot of different roles there, very rewarding and fulfilling time.

CHRIS: Well, that was one of the best decisions I ever made was to make that call because you were such a terrific asset for the department in so many roles. I don't think there is too many folks that have served at DHS over the last 17 years that have had as much cross cutting and widespread experience as you have with your military background, your career, as well as political appointee experience. And so, what are your thoughts about transitions generally? I had the opportunity to see it from both an incoming political appointee in 2009, and then helping to manage that in 2012, and then watching it from the outside in 2016, but each one seems to have a different dynamic to it. And so how do you generally view transitions given your lens?

CHIP: Yeah first of all, you know, it's a very interesting time, right? It's going to be chaotic, no matter if it's the same party that retains power or it transitions to a different party, it's going to be chaotic. You have to manage the chaos. You know, for me personally, I was in a very interesting spot because as you said, as the CFO, I was a Senate confirmed political. But I had also retained my Senior Executive Service (SES) status was actually the Deputy USM So as the administration came in, you know, it's their prerogative to retain folks or let folks go. As it turned out, they let the political side of me go and the career side of me stay. From that perspective, it was pretty interesting.

Transitions take a lot of work in preparation obviously. And you you're very hopeful that the incoming team is ready to go and is well prepared, but you've got a lot of work to do on your end, typically in the last year of an administration, as you well know, um, lots of folks leave on the political side and begin to go look to do other things. So that contributes to that sort of chaotic timeframe that surrounds that last year of an administration. But in general, I think the better prepared you are, and I think we're going to talk about that a little bit more, the better prepared you are, that the better you're able to manage that change. But there's going to be some chaos, no matter how well prepared you are. It's just the nature of the beast, if you will.

CHRIS: Yeah, no, that's a good point. And you know, in certain election cycles, when you know there's going to be a transition, no matter what, I think in some respects, it's a little bit clearer that people talk about it more freely. It's kind of out in the open. I know that in 2012 there was some hesitancy among the political appointees to talk about transition because the president was running for reelection as is the case with this cycle. So how do you prepare in that kind of set of dynamics and what kinds of things go into a good set of preparations for either eventuality?

CHIP: Well, as you know, having served as the USM and Deputy USM yourself, the Under Secretary for Management is responsible for transition by law. So when Rusty O, got confirmed as the USM, it was in May of 2018, the first thing he asked when he got into his job is who's running transition because he knew that that was going to be an important part of the job for the USM. And that was about 18 months out from January of 2017. So, the first thing you have to do is start early. We started about 15 months out, as I said. The second thing you have to do is identify the right person. I think Mark Koumans is running the transition team this time, NHS. We had Vince McCone who you know very well, running our transition team. And that was one of the best decisions we made because Vince is a master at pulling a variety of stuff together and pulling a team together.

CHIP: We had not only identified Vince in a small team at the headquarters, but we had executives in every component, senior level career folks identified to help us with transition and be the point of contact within every component. You have to build a plan, you got to hold yourself accountable. You need a checklist. I believe a very thorough checklist. You know, you got a scenario plan yet. We did some tabletops even; you've also got to prepare for what happens if there was an event during transition. You've got to do all that type of scenario planning. You meet a whole very often, you have to communicate, that's going to be a challenge for that the next administration, because of this virtual world, that we're not now all operating in, we got to meet face to face, which was very helpful.

You know, we use resources to Partnership for Public Service, provides tremendous resources. And then we did a lot of R&D work and what I mean by R&D is we ripped off and duplicated from other agencies that had very solid plans. I think the other thing you have to do, Chris, is you have to limit the material. What you find is every component thinks their issue is the most important thing that needs to get in front of the new secretary and the new leadership. You really had to skinny down those issues. One of the things we did for them was we said that first 90 days, these would be the things that are going to come at you regardless, budgets and things of that nature. We made a good list and a good outline and a good set of materials for that first 90 days.

We really tried to focus down the areas that they needed to worry about. What are the current issues going on at the administration that require the secretary's attention? And we got very crisp papers on those so that they could easily get through the details. And then I would say that from a practical standpoint, obviously we had binders of materials, we put them on CDs and things like that. But we also used what was on the shelf. What was good for us was that Secretary Johnson had just come in, I think it was late 2014. We had to go through a lot of

material to get Secretary Johnson ready for confirmation, and then get him up to speed quickly and his team quickly when he took office.

We used a lot of that material to prepare a template if you will, for the next administration. That helped us out a great deal too. And then the last thing I'd say is you can't communicate enough. You need to communicate with the landing team, the transition team, as well as, communicating with your own organization about what's going on. That uncertainty creates a lot of anxiety within the department. And folks are naturally don't like change. And this creates a tremendous amount of change. The more you can communicate with them, the better off you are.

CHRIS: No, that's helpful. And I think you've briefed or been in the room to help four secretaries on board. Are there similarities that you see in those briefings or in those engagements that kind of cross with your budget and finance background? I know that was always on their mind, how does the budget work? What are the resources being dedicated to? But were there similarities or threads that kind of woven through out all of the secretaries you've worked with in the past?

CHIP: Yeah, first of all, they all want to know about the money. (laughs) And how the money works. As you know, DHS has a complicated budget that the structure is much simpler now than it was back when Secretary Johnson took over. But the first thing you have to do is really give them a simple overview of the budget and the money they really have influence over and the money that sort of is just on autopilot, if you will. I think that's first and foremost. Second, you want to make sure they understand what large acquisitions are ongoing into the department. As you know, we had a lot of several large acquisitions that were happening at the time. You want to make sure that they understand that, and then what are the operational issues that are going on?

Each component had about two or three top operational issues that they would talk to the secretary about to make sure, okay, these are the issues that you have to pay most attention to right now, because these are things that are going on. But I think those three things were the biggest things that we tried to do, obviously intel and threat assessments, and those things happened on a routine basis. And they got up to speed very quickly on the threats that were facing the nation at the time. But from an operational or running the department, it's really about the budget, what you're doing to acquire things and what are those operational issues and how that information feeds to them on a routine basis? What I saw was that the challenge for them was, how does the information flow to them and how can you get information to them quickly? And what type of command and control structure do they have to operate within, inside the department?

CHRIS: Yeah. Maybe you could talk a little bit about what happens when they first get there. You know, obviously you're planning for both eventualities, with the transition, whether it's a second term or a first term of a new administration. If it does change there, let's talk about these landing teams a little bit. Explain for the audience, what is a landing team? What is their objective in the early going and what groundwork does it set for people that would ultimately be appointed to serve in political positions?

CHIP: Yeah, those landing teams are critical, because they are coming in to get sort of a lay of the land, if you will. They're coming to get briefed up on what the issues are, so they can go back and formulate their plan to hit the ground running when an administration changes. Those folks come in; they get a lot of detailed briefings. They're typically folks who've served in previous administrations somewhere inside the department. Most of them when they came in in 2016, it was like old homework for them because they had met and knew and served with people, that were currently working in the department. And their job is to really get a good lay of the land and understand what the issues are and what the challenges are. And then they go back and formulate, okay, here's what we need to do as it relates to a particular issue and they write those papers and present those so that when the secretary is ultimately picked and confirmed, he can have that information and it helps his team get ready to roll. Because that is a challenge, right.

In 2016, you had Secretary Kelly, who got confirmed the day of the inauguration. He got confirmed, but he didn't have a lot of the rest of this team confirmed. He had no deputy, no USM. The components were all led by career folks. He had his chief of staff and a very small team of advisors, but that's it. He depended on that landing team and the work that they had done inside the department to help get him up to speed and help get him going very quickly.

Now, I would also say Chris, that one of the challenges that I saw during the administration change is that you can only work for one president at a time. It sounds obvious, but it's a challenge for the department because on the one hand, you've got an administration that is sprinting to the finish line. They want to get as much policy done. They want to get it in place, and they are pushing for it, and at the same time they've lost a lot of their political leadership, they've left. And you've got career acting's typically, trying to push that agenda while at the same time, you're trying to prepare for the new, without going over the edge in terms of going too far and trying to implement a new agenda. You can prepare for the agenda, but you've got to serve the current president and the current administration. And I think that was a challenge.

And then the other thing I would say is that there's a lot of jockeying that's going on. In terms of their folks who want to serve in the new administration, if it's the same party, then there are a lot of folks who think they're going to be retained. And so, there's a lot of what I would call a jockeying that goes on, that is somewhat distracting from trying to just keep the ball moving and keep pushing the current agenda as much as you can while preparing for the new. And then the third thing is that you still have to run the department. And as you well know, the business of running that department is vast and large. And you've got to keep the trains moving and operating on time. And you've got a lot going on as it leads up to that transition. And then you're dealing with that landing team, as I said, which at times are trying to push their agenda and try to get it started. And you just can't allow that to happen because you're still working for the previous administration. There are a lot of competing priorities as it gets down to that actual transition.

CHRIS: Yeah, those are good points. And you mentioned the kind of the mindset of the careers staff at DHS, I think people would be surprised to know that there's only about 175 political appointees and roughly 240,000 career positions, in the field for the department. Morale has always been an issue for a department like DHS, but as you know, four weeks out or so from an election the first Tuesday in November through January 20th, what is the mindset of career officials as they, they kind of move through that?

CHIP: If they're experienced, they know they've been through it before. Right. And you've got to just help folks go, okay, there's going to be change. There's going to be a new agenda here, potentially. But we've got a job to do. There are a lot of things that are apolitical that need to keep going, running the department, the business of running the department. And you've got to keep that going. I would say that it does impact morale because there's a big uncertainty around which way are we going to go now. Are we going to take a hard-left turn or a hard-right turn? And that really does impact people. So that really requires you to focus in and hone in on your own leadership, to be visible, to be out there and be present and continue to say it's going to be okay and let's just keep going with the job that we have today and while preparing for a potential change, but we kind of a job to do right now.

But I think for the rank and file once you get outside the beltway, for them, it's just about going and doing their job every day. And the folks at DHS do an incredible job at protecting our nation each and every day. For the rank and file, I think it's minimal. For the folks at DHS headquarters or at the component leadership they experience a lot more impact because they are more directly affected a change in administration.

CHRIS: Yeah, that's definitely true about those positions at the headquarters level. There are so many other individuals that are dependent on that ecosystem. So, you really do see them being much more attuned to it than perhaps the field offices throughout the country that are just going and doing their jobs every day. Let's talk about the agenda for a little bit. Everyone comes in with an agenda, whether it's a second term of the current administration or a first term, in the event that it changes. Can you talk a little bit about the different agendas from the White House to the new secretary, to the politicals as they get confirmed and how that synthesizes and comes together?

CHIP: It's interesting because I think it takes about six months. And in the case of this, the administration that came in 2017, they wanted to move rapidly. I'll never forget. I was sitting in there. It was actually pretty surreal for me because I was, as you recall, I was number 18 in the line of succession.

But there were 17 politicals in front of me. And although we thought a couple of those politicals would be retained, they were not. And the first day of the new administration, I'm sitting in the Deputy Secretary's office, and I'm going, what the heck have I gotten myself into?

But John Kelly walks in and he goes, who are you? And I go, I'm Chip Fulghum, I think I'm going to be your acting Deputy Secretary. He goes, oh, okay, great. Let's go. And so immediately that day we get a call from the White House that says the president is going to come to Nebraska Avenue two days from now. As you well know, that's no small task, when the President of the United States decides to come visit somewhere. So immediately, we had to get going with that. And then we had an executive order that was signed, and then we had executive orders hitting almost every week for the first month. So it was that agenda was being rapidly driven, which caused a lot of chaos, if you will, but it caught a lot of consternation because whenever you're implementing a new agenda, there are so many things you've got to think about from a political standpoint - have you worked with the Congress? Do you have a communications plan? You have all these things in place when you're about to roll something out.

And we had to get a lot of things together quickly without a lot of political leadership there. So that's the other part to this is when you don't have your team confirmed you've got a lot of career folks trying to get this for you with a very small team of political leadership. And so that made it challenging, but we had Secretary Kelly who provided tremendous leadership and calm throughout the department. One of the things I really saw from him as well as Secretary Johnson is their incredible leadership and how they could just create calm over the department.

And Secretary Kelly did a great job of going out in his first 90 days and seeing the troops and keeping folks calm and motivated and headed in a right direction. But that was probably the most challenging time I've seen because we had such a tremendous change in agenda that the administration wanted to get going very quickly. And so, again, you have to have all those elements in place. And that required a lot of work, a lot of everyone pulling in the same direction very quickly. They frankly depended on the careers to provide them advice and counsel about how, what is the best way to do this, not about what we were doing, but how to get it done. And so we were able to roll out a lot of things, some of them controversial, but we were able to actually roll them out operationally without much issue, which was a credit to the leadership and the components and a credit to the leadership, at the headquarters, that we were able to do that.

CHRIS: Yeah, that's a big job to get that to all come together. As a recovering political appointee, I often remember those early days when I first ended up at the department. And you think about all the big ideas and the agenda is coming out of the White House, the Secretary and his or her new team that they bring to bear. You've been on both sides of this from both a career and a political advantage. What's good advice that you would give to incoming political appointees as they show up either DHS or any other department?

CHIP: I'll give some advice to both careers and political. For the careers, my biggest piece of advice is that your job is to implement policy. You can help shape the policy in terms of helping them write it and get it ready to go, but your job is to implement. And what I saw in the administration at times was that career folks had become pretty wed to the previous policies. And when those policies changed, they didn't like it necessarily. And I've been asked this question numerous times and they go, how'd you go about doing that? And I'm like, you know, I always use the wall as the example. If an administration comes in and says, I want to tear the wall down, it's our job to figure out what the best, most cost-effective way to tear it down is. If they want to build more wall, our job is to tell them what the best, most cost-effective way to do it. They can ask us our opinion of where we need it and all those things, but our real job is to help them implement policy. And if you can't do that, then you just have to go.

One of the things that I saw with the current administration was because we had to depend, we were depending on a lot of acting career folks and a lot of them, 99.9% of them, did a tremendous job. My advice to the careers is simply, if your job is to implement policy, if you don't agree with the policy and you can't live with it, and you can't work there each and every day to implement that policy, then you probably need to find something else to do.

As far as the political go, first of all, you have to pay attention to a lot of the details. When a new administration comes in, they want to hire a bunch of politicals and they want to do it quickly, but there are whole bunch of rules associated with hiring. All of them have to get background clearances. And of course, that takes time and they don't want to wait. You have to make sure you know every rule, and how you can bring folks on while they're waiting for their clearance to come through. I would say you always have to be ready. Because like me, I was number 18 in line and the next thing I'm number two. And you've got to be ready.

CHRIS: That's right.

CHIP: I think the other thing, Chris, is that it's not personal, right? Whenever there's a change in administration there have to be a lot of actions. And some of those actions are going to be kept and some of those actions are going to be moved on and that's just how it goes and that's not personal. That's just how the administration works. We saw that with Secretary Johnson. It's not necessarily a change in party. When they come in, they want to get their own team. And if they want a different acting in place, then it's their prerogative to put that different acting in place. Our job is to serve the administration, whatever administration is in power and serve to the best of our ability. But I think for politicals, they really need to understand a lot of the mechanics of how to bring people on board and they need to be ready. They need to come in with their team that's ready to.

As many of those folks that they can vet themselves acquire and have an idea of where they want to put all those folks, the faster they can get going and get their agenda up and running because four years goes by pretty quickly. When you think about it, you've really got about two and a half years to do what you need to do because the first six months or so, you're going to be trying to figure out that department and what happens in six to nine months. And then that last year to 15 months people start leaving. You really have two and a half years or so to get going and really get your agenda up and moving and policy changes moving in. Even from a budget perspective, you really only can influence a couple of budgets because the last couple will be for the next administration, whoever that is.

You really have to be prepared. You really have to know that department and understand its inner workings and get yourself up and running as fast as you can. But a lot of it to me was mechanics. We struggled a little bit with the hiring piece, the background piece and that just delays getting people on board. It was taking a while to vet these folks. So, the sooner you can do all those things, I think the better off you are.

CHRIS: The term acting has come up a lot. And I think that up until four years ago, probably it was mostly seen as inside baseball because I don't think people heard that term quite as readily as they do today. There are so many DHS, at least that are in those acting positions. From your career vantage point, does it make a difference to have a lot of careers running around or is it just another dimension that you've got to contend with?

CHIP: I think it's tough. I think it's doable, but I think it's tough. Whenever you're acting, you have one or two things, you know. I think I acted like four or five different times.

And whenever you did, whenever you're acting, you got to a certain set of the population that goes, well, he's just acting so we'll just wait. And we'll wait for the guy or girl who's ever going to get confirmed. When you have a lot of Actings there, it makes it more difficult to push the agenda and push change. Can you do it? Yes. But it makes it more difficult. At one point in time, I think I was the acting USM, Deputy USM, and still the CFO. So that puts a lot of strain on the workforce, not necessarily on me, but it takes quite a strain on the workforce because everybody's trying to pick up something else. And I think that makes it a little bit more challenging as well.

But at the end of the day, you want stability at the leadership level. The more you have turnover and Actings because you don't have the political leadership in place, it is more challenging. I don't care how good the leader is. It makes it more challenging. Can you do it? Yes. Did DHS do it? Yes. I think operationally you can run the department with actions. I know you can, because we did it, and we ran the department operationally fine. I think it's from a policy and agenda perspective, trying to push change is where it makes it a much more difficult and challenging. You want, again, stability at the leadership level. And you've seen the number of Actings in the department today, I just think it makes a demanding job, more difficult. If you can get those guys and girls in and get them confirmed, and have some stability, I think that helps.

Because we even saw that when Secretary Jane Napolitano left and Secretary Johnson came in, it just creates this new sprint to the finish, right. And they're trying to get their team in place and you've only got two years to go. And you're really in a crunch to get those folks in. And you've really got to have the right leaders in place as Actings to make sure that they can keep the department going and try to push the agenda forward. But you need some stability, I believe, at the top, in terms of that steady, confirmed, leadership.

CHIP: That's great insight. I think that really is something we've seen come to the forefront most recently, which I think a few people have had to adjust to. Last question. In terms of advice, you know, there are a lot of folks watching these processes in and around government, particularly in Washington, DC, industry, the Hill, interest groups, outfits like the Partnership for Public Service. What's your advice for folks that are interested in the transition itself, in terms of, what to watch for and how to successfully engage with the system as we go through either a start of a second term or the launch of a first term administration?

CHIP: I think a couple of things. First of all, you need a good succession plan. You need to have a well thought out, who's going to be the next in line succession plan. The second thing is the current administration needs to make recommendations on who to retain. Now the new administration can go yes or no to those, but I think those two things are critical. We spent a lot of time on the succession plan and going all the way down the line to go, okay, if none of these people are with us, it will be this individual who's left to be in charge. I think that's very important, especially as you get right to up to inauguration, and the first few weeks after, because, there was some debate as to who was the actual secretary there for a couple of hours, on inauguration day when Secretary Kelly got confirmed.

There are a lot of rules, as you know, associated with that. I think those two things you have to do first, then you need to really get connected with them once the election's over and you've got a landing team. You have to reach out and communicate with those folks, get as much information as you can about what they want to do and the agenda. And you can start to think about why you're still sprinting to the finish with the old, getting ready for the new. And then when the new administration gets their team in place, having the folks that you believe are going to be left in leadership roles, talk to them, which I think would be very helpful.

For me, I didn't get a chance to talk to Secretary Kelly until he showed up that Monday. I didn't get a chance to talk with the Chief of Staff prior to Saturday of Inauguration Day. We just didn't have a lot of interaction. I think part of that was on us, or most of that was on us. We didn't do as good a job as we could have done to reach out to them. I think, again, solidifying who's going to stay, who's going to be retained as soon as you can do that, and who's going to be let go on the political side helps a great deal because it just adds to, okay, this is going to be the team left in place. And they can really begin to strategize and formulate. All right, how are we going to operate? There was a lot of uncertainty in the previous administration as to who was going to stay and who was going to go. We made recommendations, but it got all the way up to the very end before they decided who's going to stay and who's going to go.

So I think that landing team is critical in terms of being that conduit that gets you to the new administration and you just have to pay attention to their agenda so that you know what's coming, and you can be as prepared as possible to implement their agenda as quickly as you can, whether it's the same administration, same party or a different party. But those would be the things that I saw that one, I think we could have really done a better job, but by and large, I think we did a great job with transition. As I said, I think Vince and company did a tremendous job of providing the information necessary for the new administration to get up to speed. But there were some things I think we could have done to communicate better. And again, that was on us. We didn't do as much outreach as we could within the rules. I mean, as you know, there are rules associated with what you can do with the incoming administration and what you can't do, but within the rules, I would do that.

And then I would use every resource I could find. As I said, we do a lot of R&D in DHS, which is rip off and duplicate. And the partnership has tremendous resources. I'd use all those resources, because it really helps you hone in and be prepared. I'm sure this market and company are really ready to go in terms of transition, because there's a good foundation that was left for Vince from the previous administration. I think we just left that in place, and so there's a solid foundation this group to go through transition as well. I think communication's the biggest thing that you need. Communication and knowing who is going to be left behind and in charge.

CHRIS: Well, the one thing that I think we both agree on is that it's never dull, right? You get into these situations and you're in it and you just have to deliver. And I think that it's pretty clear why so many secretaries and their teams turn to you for expertise and insight and advice as to how to launch successfully. Chip, thank you so much for joining us on today's episode of Mission Is Possible. It was a pleasure talking with you about your experiences.

CHIP: Well thanks very much, Chris. And I'd be remiss if I didn't say thanks for all you did in the department. You were a true leader in the department and did so much to help us strengthen and mature the department during a critical time. Thanks for your leadership there and all the work you're doing today to still help the department. I know it's greatly appreciated by them and, I know I appreciated it when I was still in the department as well. Thanks for all you did and are doing today.

SASHA: Thank you so much for tuning in to this episode of the Mission is Possible, the Presidential Transition miniseries. If you are interested in hearing more, look out for new

episodes in this special series, and check out our other episodes on Apple Podcasts, TuneIn, Stitcher, or on the Guidehouse website.