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'Bonus Babies': Some Uncivil Servants

When President Carter's civil service reform legislation was enacted two years ago, the White House ballyhooed it as the greatest boon to governmental efficiency since the invention of the paper clip.

Competent public servants were to be rewarded, not just with a hearty handshake and a scroll, but also with cash in the form of bonuses. Whistleblowers would be given incentives, protection and recognition for exposing waste and mismanagement.

Unfortunately, this Mary Poppins scenario wasn't the way things worked out. In practice, the cash bonuses were handed out to entrenched senior bureaucrats with political clout — some of whom were actually involved in retaliation against lower-echelon whistleblowers. Virtue is still pretty much its own reward for the working stiffs in federal government.

The handling of the bonus idea has turned so sour, in fact, that disillusioned employees refer to the program as "cash for cronies."

My reporters Indy Badhwar and Gloria Danziger have reviewed a long list of the recipients of cash bonuses — \$3 million worth, ranging from \$3,000 to \$20,000. Here's the sorry rundown on just a few of these bureaucratic bonus babies:

- Marion Finkel, assistant director for new drug evaluation, Food and Drug Administration, \$10,000 bonus. For years, she has been accused of harassing FDA scientists who were deemed "adversarial" to the interests

of drug companies. A special panel of federal investigators concluded in 1977 that Finkel and FDA management had concealed the truth and given incomplete and misleading testimony in a case involving the railroading of an FDA whistleblower. The report found Finkel's conduct "unacceptable" and recommended a reprimand.

- Jack Stempler, general counsel of the Air Force, \$20,000. Appointed by President Nixon, Stempler directed the Air Force response to charges by cost analyst A. Ernest Fitzgerald exposing a \$2 billion cost overrun in the C5 transport plane program. Fitzgerald was smeared, fired and — when he won reinstatement after a long court fight — shunted into a do-nothing job.

The Senate Judiciary Committee is investigating Stempler's role in the Fitzgerald harassment. What is ironic is that Carter, campaigning in 1976, repeatedly mentioned Fitzgerald as the kind of public servant who would be rewarded in a Carter administration. Instead, the \$20,000 reward went to one of Fitzgerald's persecutors.

- Claude J. Farinha, another high Air Force official, \$20,000. Farinha was the brains behind Project Max, a multimillion-dollar computerized management system that congressional watchdogs concluded was as worthless as it was expensive. The Air Force, with Farinha's knowledge, continued to lavish money on the program until it was quietly scuttled.

- Erich von Marbod, deputy chief of the Defense Department's security

assistance agency, \$10,000. Von Marbod came under congressional fire in 1977 for providing defective intelligence information at a time the Carter administration was selling sophisticated radar-equipped planes to the shah of Iran. Von Marbod gave incorrect assurances that the shah's security forces could keep the secret equipment from falling into Soviet hands — assurances which were completely, and correctly, contradicted by the CIA.

- Walter Kallaur, chief of the General Services Administration's Washington, D.C., regional office, \$3,500. Kallaur was the subject of a Justice Department investigation in 1978 for his activities when he was on loan to the Carter-Mondale transition team. He and an associate cooked up a way to get around GSA regulations as a means of paying transition team members until they were officially on the government payroll. Kallaur admits to using a "short cut" but denies there was a Justice Department investigation. He says Justice "looked at" the system he had devised to pay salary advances, and concluded there was nothing wrong.

- Edward Scott, former assistant secretary, Department of Transportation, \$20,000. Scott's brainchild was a costly scheme to replace secretaries (the clerical kind) with TV-sized computer terminals that would receive, store and dispense messages while busy executives were out to lunch or otherwise absent. Scott took the bonus and then left government service.