

## Why the CEO in Chief Needs an Audit

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The Bush White House is run on a business model. The president is the CEO. He delegates to others, including the vice president, who was once a CEO himself. It therefore should come as no surprise that George W. Bush, a Harvard MBA after all, is doing what other CEOs do when they get into trouble. In his case, he's "restated" his reasons for going to war.

Corporations do this all the time. If a profit of, say, \$2.8 billion turns out to be a loss of a similar amount on account of unanticipated developments (corruption, greed, the demands of mistresses), the figure merely gets "restated." Usually no one is held responsible for this, because a billion here or a billion there can, as we know, fall through the cracks. In fact, the CEO -- having been given a bonus for such a banner year -- is then given another one for managing his company through difficult times.

In the same way, the president recently restated some of the reasons for invading Iraq. Saddam Hussein's nuclear weapons program, which Bush told the world was being "reconstituted," may in fact not exist. The White House the other day restated its earlier insistence that Iraq had tried to buy uranium from the West African nation of Niger. It turned out that the supporting documents had been forged. The White House admitted that in a press release left behind after Bush had departed for Africa.

Similarly, the accusation that Iraq was buying high-strength aluminum tubes, which Bush said were "used to enrich uranium for nuclear weapons," has to be restated. The tubes appear to have been bought for another purpose entirely and may not be high-strength after all.

As for the charge that Iraq was bristling with other weapons of mass destruction, none have yet been found, raising the distinct possibility that -- in an upcoming quarter -- this too will be restated and the Bush administration will take a one-time charge against future credibility.

In fact, should we -- the stockholders of this operation -- look back at the original business plan for the proposed Bush administration, we will find that almost everything has been restated. During the campaign, Bush said he would not go in for peacekeeping operations abroad. He appears ready to do so in Liberia. He also said he would not get engaged, as did the previous CEO, Bill Clinton, in the nitty-gritty of Middle East peace negotiation. The administration is now choosing intersections in Gaza for traffic lights.

Restatement follows restatement until we poor stockholders have no choice but to conclude that either the Bush administration did not know what it was talking about when it came into office or does not know what it is talking about now. Not even in corporate America can you hold two contradictory positions simultaneously. One of them, as any CEO can tell you, has to be restated.

The Bush administration's interim business plan called for the capture or killing of Osama bin Laden. On account of a botched operation in the Tora Bora area of Afghanistan, this now has to be restated. Similarly, the proclaimed determination to rid the world of Saddam Hussein also has not succeeded. As with bin Laden, this failure will be restated as not being all that important. You learn this sort of thing in business school.

In fact, the entire business plan for Iraq has to be restated. It turns out that the country simply will not govern itself, that some elements resent the U.S. occupation and that it will take more troops to administer the country than originally thought. In some way, this abject failure to plan for an occupation -- despite repeated warnings -- will have to be creatively restated. To paraphrase the president, bring on the restatement.

The dangers of an immense budget deficit have been restated. Rising unemployment has been restated to blame the Clinton administration. The critical importance of relations with Mexico has been restated. The evils of affirmative action were -- after the Supreme Court ruled -- restated and so, of course, were the reasons for going to war in Iraq. Now it is to rid that country of Saddam Hussein and establish the predicates for a Middle East peace. I like them both.

Still, all these restatements suggest a business plan that was both flawed from the start and implemented with an appalling level of incompetence. Despite that, the CEO of this mismanaged operation is not held accountable and remains popular with the shareholders. It used to be that the buck stopped with the president. To state the obvious, that's been restated.