

## Beating Bureaucracy

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Bureaucracy! We all hate it. We all interact with it regularly. It frustrates us beyond measure when it stands in the way of getting seemingly simple tasks done. That said, it seems to be one of the most natural and common phenomena of the human experience. And, if most of us took a good, hard look at ourselves, we would find out that no matter our profession, at least part of our own working days have been spent as bureaucrats.

Not surprisingly, the French invented the term "bureaucracy" as indicating the power vested in the office, *le bureau*, rather than the office holder. At its best, bureaucracy makes interacting with government, or indeed many private enterprises, predictable, fair, and not dependent on the whims of the official. This reduces the opportunity for the office holder to extract personal gain from duties owed to others.

All this is very high-minded, but the frustration bureaucracy inflicts can be absolutely infuriating. It often seems as though there is no way around arbitrary rules and decrees. Arguing "common sense" never works. Arguing "principle" never works. Irrational and perverse outcomes have never daunted a dedicated bureaucracy.

Tonight I will give you hope. I will recite three cases where some of the most intractable of bureaucracies were beaten at their own game. Let me quickly point out however that in all three cases extraordinary personal skills on the part of the victor delivered the victory. I can't say I recommend these approaches to the ordinary fellow - even though inspiring.

My first story comes from the P&G paper plant in Green Bay. For perfectly understandable, but bureaucratic reasons, P&G's Buying Dept. in Cincinnati was the only group who had the authority to issue a binding purchase order from the company. This was good practice - our buyers were all bonded employees, carefully managed to minimize the chance of any kick-backs, over-invoicing, or

the host of other defalcations that can be perpetrated by someone with buying authority.

The needs of maintaining a 24-7 paper operation sometimes necessitated making large purchases at 2 AM Saturday morning. The Cincinnati office was unaccustomed to this 24-7 reality, so over the years a wide variety of rules, ruses, dodges, work-arounds and policies enabled the plant to take care of some of its needs without Cincinnati.

We had a purchasing manager and small staff, who, well tied up in the rules and policies, could generally make the system work. Our incumbent was Joe V. Joe was an up-from-the-ranks clerk in his mid-sixties and nearing retirement. Over many years in this totally rule-bound position, any initiative had long since been beaten out of him. He was the quintessential bureaucrat himself - a rule follower by nature and at the same time a rule enforcer. But he had one other characteristic that proved helpful in a time of great need.

His communication style was in a league of its own. I sat right across the hall and heard it daily. It drove me crazy. Here's how he would typically answer the phone: "Uh, this, ah, is Joe, em, V. in Procter and uh, ah, ahem, Gamble um purchasing." In the interests of your time I have abbreviated substantially his phone greeting. Add in multiple more ums, other vocalizations, throat clearings and stretch out the sentence to twice the length I have given. In the world of Type A P&G managers and engineers, this sent people up the wall! They would use any excuse to talk to one of his clerks instead of him.

In 1973 the Arab Oil Embargo threw the US economy into chaos. More precisely, the Federal government's reaction to the Oil Embargo created the chaos. The Federal Energy Administration took power to allocate fuel and petroleum products. You needed an allocation before you could even buy fuel. As a base case, you got what you used last year. We had just replaced some old diesel fueled woodyard cranes with new gasoline fueled cranes. These ran 24-7 and consumed lots of gasoline. Since they were new, they needed gasoline that our base year didn't include. We asked Joe to see if he could get the government to allocate the extra twenty thousand gallons we needed.

Joe dutifully called the Chicago office of the Federal Energy Administration, who proceeded to send a z-folded application for the increase. It required eight pages of detailed justification. Joe wanted to make sure our justification form would be approved, so he called the Chicago office to ask for guidance on the form. He called them with this unfolded form dangling off his desk. After his usual two-minute personal introduction, he said he needed to check some details to ensure he was accurate.

I think the Chicago bureaucrat was surprised when Joe's first question was, "Now, um, ah, box 1 asks for uh, em, the name of the company." Didn't Joe know the name of his own company, for Pete's sake? But Joe offered them several choices: The Charmin Paper Company, The Procter and Gamble Company, Procter and Gamble Paper Products Company, P&G Distributing Company, and several more I have forgotten, all liberally laced with his trademark time-killing fillers. From there he moved on to question two about our address. He offered a number of street addresses, PO boxes, and so on in Green Bay and Cincinnati.

Two full hours later he was on about page three of the eight! Suddenly he said, "Oh, uh, thank you," and hung up. I couldn't resist - I asked him what happened. He said the federal official helpfully approved on an emergency basis twenty-five thousand gallons - five thousand more than we asked for. The bureaucrat said he was authorized in emergencies to approve such an allocation orally, no form needed. I believe the emergency was the risk to his own sanity of two or three more hours of this! It takes a very special talent to force a government bureaucrat with a crumb of power to surrender unconditionally, but Joe succeeded.

My friend Dave C. worked for National Food – the leading food chain of Chicago in the early 1970s. He had just achieved the important milestone in a food retailing career – he became a store manager. As part of his transition to his new role, his predecessor gave him a list of what the various Chicago payrollers and bureaucrats expected for a shakedown. The Health inspector typically required a few steaks to go away. The Weights and Measures inspector expected a couple of bags of snacks to take back to the ward office and so on. The list was long, and

food retail margins are slim. Dave decided he would get out of the business of handing out these petty bribes to ward heelers.

Sure enough, about his third week on the job, the Fire Inspector showed up, expecting his payoff. Dave feigned complete naivete. He acted pleased and surprised at this service. “Wow! You mean the city provides this free service to me? I absolutely want to make sure that our store is safe. Let me get my maintenance man and we will get started.” A look of shock passed over the inspector’s face. It quickly became clear he had no clue what to look for.

As they walked through the store the fire inspector found huge risks. “This screw is loose on the handrail. I will have to write your store up.” “Great catch,” Dave offered. Turning to his maintenance man, he ordered “Tighten that screw right now. We don’t want any fire hazards in our store.” The maintenance man tightened the screw before the inspector’s eyes as Dave thanked him profusely for his keen observation, then noting, “The screw is now satisfactory, so there’s nothing to write up.” The fire inspector found a couple more equally trivial items, which were fixed on the spot. He went away empty handed.

A week later the Fire Inspector returned. Dave welcomed him effusively. “Gee we just looked at this last week, but who knows if some other hazard has appeared. Let me get my maintenance man and we’ll get started. I can hardly believe the City provides me with such great service on a weekly basis.” The process went on as previously. The Fire Inspector showed up one more week with the same results.

Dave never again saw the Fire Inspector and never saw the Weights and Measures inspector or the other four or five he was warned about. I am sure the Fire guy went back to the Ward Office and told all the loafers and hangers-on what an idiot this store manager was. “This guy actually thought I was there to inspect. What an jerk!” The others concluded this store was a waste of their very valuable time and turned their full attention to someone who could be shaken down for a few steaks. Dave proceeded to run the store for three more years until a promotion took him back to corporate headquarters – a happy ending indeed.

Among the most feared agencies of the government is the IRS. When my father finally could no longer keep up with routine bills and paperwork, I visited him to help. I found his dining room table heaped with bills, receipts, bank statements, and so on. I started going through the paperwork to file what I could, pay what I must, and get things back under control.

As I was doing this, I ran across some most threatening letters from the IRS to his long-standing companion. She was a very feisty Brit in her late eighties. No one knew exactly how old she was, including herself or so she claimed. She could dance around that question readily: her parents had lied about her age to send her to America unaccompanied during WW II, the city hall where her records were kept was destroyed in the Blitz, etc, etc. Her birthdates even on official documents varied widely. Bureaucratic minutia did not rank high on Irene's list of things to worry about.

When I held up the IRS letters, my dad quickly shushed me, saying he would tell me about it later because the mere mention of this issue sent Irene into a towering rage. I found some draft letters in my father's handwriting trying to lay out the circumstances to the IRS. If he even proposed trying to get matters resolved, she would fly off the handle.

This whole issue started when she was in a stock club. This stock club contained a number of ladies her age that would meet for a few glasses of wine to swap stock tips. Near as he could tell, there was no club trading account. If you heard a stock tip you liked, you just executed the trade through your own broker. She had done this for many years. Her records, if any, sometimes consisted of a cocktail napkin from the bar with a "Buy So-and-so" notation. In a few lucky cases there might even be a date or a price. I found several of these napkins.

What went so wrong? She reported no capital gains over a decade plus of stock trading, while her broker regularly sent the Feds the standard tax forms. She didn't report capital gains on the grounds of her firm belief, "That's not taxable! They can't tax it and I won't pay!" Reason did not penetrate her strongly held position. Eventually, as unpaid taxes, interest and penalties began to mount, the IRS put a lien on her condo.

When my father foresaw his approaching death, he was adamant that Irene could not live alone, and in fact needed specialized care as her memory loss had become debilitating. The condo would need to be sold. This task fell to her son. All I could do was bundle up everything I found among my father's papers and give them to him. Her chaotic records hardly constituted an exact reckoning of her capital gains.

Faced with the need to sell the condo, her son attempted a good faith effort to sum up what records he had and approach the IRS and negotiate a solution to lift the lien. He produced a two-inch-thick binder of whatever records he found in her condo and the shards I had given him.

He called on the IRS and explained the situation. A rather dour IRS agent would not even look up at him, but heard him out, flipped through the binder, and declared, "I refuse to accept this!" He thought, "Great. I have done everything I can, only to get an agent with an attitude." Then the agent wrote a date on a Post-it, slapped it in on this binder and shoved it back to him. The date lay about two months out. She then told him that IRS policy was that any arrears and liens not collected after ten years were automatically written off and released. The date on the Post-it was the ten-year mark.

Sure enough, effective that date, the IRS released their lien and he was free to sell the condo. Irene may have been wrong about whether capital gains could be taxed and whether they needed to be reported. But her declaration that "I refuse to pay it" proved accurate. A clear win over bureaucracy if ever there was one.

So, these three episodes show us that bureaucracy can be beaten at its own game, whether getting a gasoline allotment in the midst of shortage with no paperwork, avoiding Chicago payroll, or not paying capital gains taxes. In each case staying power proved decisive. These individuals had a set of skills uniquely positioned for siege warfare with bureaucrats. It can be done and these are inspiring stories, but I think the best advice I can give this group is, "Kiddies, don't try this at home!"