



Lessons Learned Oral History Project Interview

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Interviewer Name	Mercedes Cardona (Contractor) Yale Program on Financial Stability
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Introduction:

The Yale Program on Financial Stability (YPFS) contacted LeCompte by email to request an interview regarding her time as deputy assistant secretary in charge of public affairs operations at the Treasury Department during the global financial crisis.² She was appointed to the Treasury Department Deputy after serving as CEO for Public Affairs for the Democratic National Convention Committee (DNCC) during the 2008 presidential campaign.

LeCompte coordinated communications, served as a spokesperson and advised secretary Timothy Geithner during the crisis. She became Assistant Secretary for Public Affairs in 2011 and left Treasury in 2013, after which she became an independent consultant, working with former secretary Geithner, among other clients. She joined The Glover Park Group as a managing director in 2014, working across the strategic communications and financial services practices.

[This transcript of a telephone interview has been edited for accuracy and clarity.]

Transcript:

YPFS: Let's start with some narrative. You joined Treasury from the DNC in January, I assume as part of the Obama transition. What was that like?

LeCompte: I was one of the first political appointees sworn in. Stephanie Cutter sat with secretary (Timothy) Geithner at the transition office where he worked, not as secretary yet, but as he was waiting for confirmation. Another woman, Marti Adams, and myself, were the two political appointees in the building for

¹ The opinions expressed during this interview are those of Ms. LeCompte, and not those any of the institutions for which the interview subject is affiliated.

² A stylized summary of the key observations and insights gleaned from this interview with Ms. LeCompte is available in the Yale Program on Financial Stability's *Journal of Financial Crises*.

communications in those very early days, along with the career staff in the division.

We had a detailee from the Bureau of Public Debt who was assigned to help us with the transition and orientation, but it was a very dizzying first few days, to say the least. We had reporters who worked in the building. That was probably something that I should have been aware of going in; but I was not until I arrived, which just adds a layer of preparedness.

You could have any of those folks coming into your office with questions, which ultimately served a tremendous purpose over time in terms of the ability of that press corps to really help disseminate market moving information in a very careful, controlled manner. We'd give them content under embargo and such.

At the same time, as you're trying to get oriented with reporters in the building, learning the players and the programs and such. Those first days were a lot to take on board: Trying to figure out the different reports, the regularly scheduled data releases and regular statements that had to go out, in addition to the content we were looking to push out. Getting arms around that all was a tall order in very busy times.

Obviously, everything felt extremely consequential and no real time for a structured onboarding, although that would have certainly been appreciated. Everything was very much in the moment.

I recall the first day that I did not go into the office was Easter Sunday. I definitely worked that day but had the luxury of doing so from home. So it was a full seven days a week, always-on environment, as we looked to figure out our jobs in real time. A very consequential moment and the stakes very high, to get the communications right and clear.

YPFS: As you said, you were one of the first political appointees. Was it tough to maintain continuity and communications as you were making a transition between administrations in the middle of a crisis?

LeCompte: Yes. Michele Davis, who had been the head of communications for Secretary (Henry) Paulson was certainly very generous and worked most closely with Stephanie Cutter to sort of bridge some of that connectivity.

We had others on her team, who appeared at certain moments to help with that, but we really did walk in on that first day severely understaffed right out of the gate, from the communications perspective. The number of career staff in the communications department is very small, relative to other divisions.

So it was very much trying to figure out, in real time as reporters were calling: Do we do that program? Who's in charge of it? How do I find that person? Say hello, get some information, try to formulate appropriate reporter responses—all on deadline and with obviously the external environment moving very quickly. A lot to get up to speed on and orient ourselves around—again without any kind of a moment to get lay of the land before we jumped into that pool.

YPFS: **At the time, people were still using Blackberries and the iPhone had just arrived. What was this treasury's stand on communications when you came in and what was their stand on preparedness for a crisis?**

Much of it was still very old school, traditional information dissemination. As I mentioned, the in-house press corps, which is there to serve a very critical function, to be able to receive sensitive information under embargo so they could write thoughtful stories before anything potentially market moving was on the wire. We would take hard copies of statements and materials down to the press room to share with reporters in those embargoed scenarios. I'm not sure how the team does it today, but obviously that is a very traditional means of press dissemination.

We did a full website refresh. I believe that was in 2010. We launched a Treasury Notes blog, with the recognition that we needed to engage in a more nimble, modern way in terms of the communications that we were disseminating and moved in that period to do much more on social media. I think we had a Flickr account. That was the edge of photo distribution at that time. So, we launched that.

I didn't recall us actually tweeting, but I did look back and the official Treasury Twitter account says it was launched in March of 2010, so we did use Twitter. I'm sure it was very much basic tweets about statements and things that we were issuing through our regular press lists, on the website and that kind of thing. Certainly not engaging in a very opinion-oriented Twitter conversation as it exists today, not necessarily from Treasury, but broadly.

Dipping our toes in the social media waters at the time, the blog really did emerge as a very key tool, because it allowed us to do shorter posts, move things a little bit more nimbly, and with more color than just a press release could. We could do some more opinion writing from some of our top officials, without necessarily needing to go through the gates of an op-ed page editor or the like. So that provided a very helpful forum for us. But obviously things have advanced substantially beyond that today.

YPFS: **Was it challenging also to get your officials to focus on communications when they were in the middle of political and economic collapse? Did**

you find it hard to make communications a priority when they were basically putting out fires in the financial system?

LeCompte: One hundred percent. Needing to get the policy right and put out those financial fires, as Secretary Geithner would say, was of course paramount. He certainly did a good bit of reflection on the tension of that vs. the communications need and challenge in the course of his book, *Stress Test*, that came out with a bit of distance from the crisis.

He was not coming in as a natural communicator. He has and will say that himself. We also never really fully developed or used a bench of top officials, certainly not on television, in terms of a real "fan out, fill all of the airwaves with spokespeople." So that was a challenge, for sure.

We certainly had other officials very key on different aspects of the crisis response. But it was a challenge to break them free, to get as much time as we'd like from any of them to be out there doing the messaging work, in addition to the policy work, because it was a near all-consuming job just to get that substance and the work right. Very frequently, policies would be finalized moments before we were moving them out to the press. So the job of the communicators was to sort of digest and learn in almost real time, as we were explaining to reporters. It was certainly not an ideal circumstance, but definitely something that the pace and the heat of the moment brought upon us, like it or not.

YPFS: You had had a bit of distance being at DNC earlier, but you must have been observing what was going on through the election and the months before the inaugural. How would you characterize what you saw of the government's preparedness during the crisis? Should treasury have had some kind of crisis communications plan in the summer of 2008?

LeCompte: I think that question is much bigger than communications alone. I don't think it's for me to second-guess what the Paulson team did and did not do. I certainly know how easy it was for others to opine in that fashion in our term, but I would say that the communications challenges around these sets of issues are astronomical.

I think the messaging challenge of trying to solve a major financial crisis by doing things that you would never do in normal times, or even in a modest crisis, is something that Geithner calls the paradox of financial crises. What feels just and fair is often the opposite of what's required for a just and fair outcome. That type of environment is just going to be a forever challenge, in terms of finding an explanation that is satisfying to anyone.

As we look back on it, I don't think that any of us would say that better marketing or communications or speeches could have truly moved the needle to make these policies popular. Surely, we could have done more from

the outset to try to find more resources to tell that story and to try to have it land in a way that that made more sense to people, but that bar is extremely high. I'm not sure that any of the things that we could have done, the tools at our disposal there, would have materially made a difference in the way that people viewed those policies.

YPFS: **During the crisis, there were a number of bills that had to go through Congress, like the TARP, the bank bailout, etc. Some interviewees have said these were things that had to get done and they knew everybody was going to hate them. Former secretary Paulson said that the Treasury department could have done better in terms of communications, but what elements do you think of their strategy were done well?**

LeCompte: Speaking for our term, I think you have to get caught trying. The bar for success and full understanding in that kind of an environment, with that kind of message to convey, is going to be extremely challenging. But going at it as best as you can, in as robust a fashion as you can, is incredibly important and does need to be prioritized as a key objective.

Also figuring out what's the resource allocation, so that you've got the people who need to spend time on the policy, but you also have people who can be out there explaining it. Figuring out the right combination to make the space somewhere on the collective team for that to happen is definitely key.

It's certainly something that we came back at in a couple of different ways over time. To some effect, Geithner was a huge proponent and advocate in the 2010, 2011 period of (what) we called the charts team. We had a dedicated group of folks that sat within the communications department and worked very closely with the policy teams to try to bring the actions that we undertook to life in a really informed and visual way through charts and data.

I think it's something that remains a work in progress. The most recent book that he came out with, with Secretary Paulson and also Chairman Bernanke through Yale University Press, included a very robust charts pack, that tried to show for folks, in very visual ways: This is what we tried to do. This is what we achieved. This was the mark of these policies. I think that needs to be an ongoing continued effort.

The challenge of this type of communications is so great, it's not something that can be done in the moment alone. Certainly, that's important, but also a need to keep coming back at it. And trying over time to continue to lay out that narrative, and hopefully bring more people around to seeing it in the way that we certainly did from within the walls of Treasury.

YPFS: **If anything, the COVID pandemic has shown that you have to have some kind of preparedness, some crisis planning and maybe some tabletop**

exercises now and then, just to keep yourself sharp for when these big things explode.

LeCompte: I know. Obviously, a good bit of Secretary Geithner's work with Yale is really designed to have that standing army, as he would say, of veterans who are steeped in financial crisis response. So it is not something that folks are coming to fresh in the moment. But how can we keep that knowledge, that connectivity amongst the seasoned practitioners alive, so that is more of a ready base of folks to call on? I absolutely think trying to think about that from the communications lens is also very important. Trying to find the road forward from a standing start is a tough bar to achieve for sure.

YPFS: That all requires forethought and planning and time. Today's news cycle works a lot differently. It's all working in real time, on social media and mobile communications. What's your advice for future communicators that have to deal with economic crisis?

LeCompte: Treasury is always going to be more reserved and back from the real time churn of that Twitter conversation, of some of that social conversation, just because of the market-moving nature of so much of the work that is happening there. Certainly, I know the Treasury department in the Trump Administration is active on Twitter, with the main account that we had, but also Secretary (Steven) Mnuchin has a Twitter account.

You look at that feed and it looks nothing like the president's feed, because there is just a blanket of caution and reserve that does need to cover so much of the activity from Treasury. But absolutely, take the point that the world is moving, and you need to find ways to engage in it within the bounds of what's going to be appropriate and possible for the Treasury Department.

A financial crisis in and of itself is never going to be a Twitter conversation in terms of the way that policy unfolds. Certainly, there will be conversation around it, but thoughtful dissemination of policy is certainly challenged within the constraints of Twitter character counts. Trying to identify the slightly longer-form formats that are also going to be accessible and nimble is important.

It's impossible to say what the communications environment looks like when the next crisis hits but try to find that balance of what vehicles allow you to move nimbly *and* give you the space to explain substance. To make sure that you are getting context and the meat of the policy out there but doing so in ways that are not constrained to the extent that Twitter does for characters and that kind of thing.

I think other lessons for the team: Certainly bringing, as I was alluding to, as many veterans to the cause in the communications space as you can is only value-added. Insisting that communications has a seat at the table through

the policy development process so the team that is going to be out there serving as a spokesperson for the policies is learning the policy as it ripens through the development and not in the moment of release. That's really key.

And as we touched on a little bit, dedicating bodies to explaining the policies, not just to developing them, (but) figuring out what's that right mix. Individuals cannot do everything in and of themselves. But how do you have the right collective set of resources, so you have the minds to both develop the policy, but also be out there explaining it in an informed and thoughtful fashion? It just cannot be the secretary alone, for sure, and it cannot all be on background. You have to get out there and do a chunk of it on the record, too.

Certainly, demanding head count through the team, so that the public affairs division has enough muscle and resources to be out there working with the policy team to tell that story. There was certainly from the beginning to the end of the Obama administration, definitely growth in the public affairs team that we had at Treasury. I think that was good investment, in terms of giving as much capacity to that team as possible to do a really important function in normal times, but also, especially in those crisis moments.

YPFS: This may be a loaded question, but did you have enough resources, bodies in there?

LeCompte: Certainly not at the beginning. Fact, that our spokesperson for TARP would get up and go to the men's room and come back and have an entirely full voicemail box. That was the kind of volume at the beginning.

We needed to load up our team in terms of staff. But even then, expand to have additional spokespeople who could help field the inquiries, be engaging on a regular and accessible fashion with the reporters. (Mean)while working internally with the policy teams to try to work along the way to get smart on the policy, so that we were well poised to explain it when it was ready to be put forward. We absolutely did not have enough bodies to do that from the get-go.

YPFS: The financial crisis seemed to have left a legacy of distrust. We saw the Occupy movement and any number of other expressions of it. Now, we're seeing something similar during the COVID pandemic. What would be your recommendation? How do you prepare for the next big meltdown?

LeCompte: It certainly does take a lot of explanation and education and coming with as much data, as many facts as possible to the conversation. I think the challenge of the response that is needed, in the case of a financial crisis specifically, is always going to be an incredibly tough message for folks to take onboard in that type of moment.

You referenced COVID. Certainly, we saw the way that leaders of both parties came together out of the gate to move some very substantial packages, in terms of federal response to COVID, in ways that were certainly beyond the realm of possible in 2009--getting that type of consensus with those type of dollars.

But you've already seen now, some of the politics creeping back in and the package currently under consideration is finding a much tougher road forward. So, I think those political divides are always going to be there around these types of issues. And as I said, the challenge of the crisis-response narrative in particular is always going to be one that will be very difficult for people to take onboard.

YPFS: **Well, from the private side now, what's your assessment of the economic response that we've seen to the COVID pandemic? Any lessons there from the financial crisis that could help in the current economic response?**

LeCompte: I think it is largely a bit of what I just touched on, in that I think it was encouraging to see the way that leaders of both parties were able to come together and deliver some very hefty initial packages in response. Certainly, the way that the Fed has been very central to a lot of the response has made a tremendous difference.

But the way that politics has crept back in and is putting a lot of sand in the gears of what we are able to do, in terms of continuing that response as the pandemic goes forward, those are dynamics that were very real for us in 2009. And surely for the team that preceded us in the end of the Paulson Administration. It put constraints on what was possible in a way that I think is really important to remember.

You can't just look back and say, "Well, they should have done more. They could've done this, that, or the other thing." I think the reality of political constraints on what was achievable is a real dynamic here that folks need to be very clear-eyed about. Because I think that is clearly the nature of our system that I don't see receding in any kind of a near-term fashion.

YPFS: **Yet, we have seen things like the use of media, the changing attitudes of the public. So thinking back on the global financial crisis and moving through today, do communications need to change as well, to take into account things like the president tweeting and everything being on real time now?**

LeCompte: Treasury is always going to be an institution that is inclined towards more caution. I do think that is a prudent thing. So, in that kind of environment, absolutely monitoring it all very closely and choosing how you engage in that conversation, knowing it's going to be rolling at an incredibly swift clip.

Making sure that you are really attuned to the preferences and the requirements of your principal, in terms of what they need to hear and see and sign off on individually themselves, versus what the press and communications team can go ahead and deploy on his or her behalf is also really important.

So, yes, I think absolutely a hundred percent, the teams coming in need to be attuned and mindful of that external environment and engage with it. But I think finding the place, the lane in which Treasury can do that appropriately, comfortably, and responsibly in that kind of environment is also key. Because certainly, the communications of that agency cannot be the same as that of a political campaign or some of the other voices in the conversation.

There is a responsibility of that building to be thoughtful and to get it right. How Treasury navigates that forward is obviously something that is going to continue to evolve in real time, but it is a little bit of a unique entity in the evolving external environment, for sure.

YPFS: **You have now been both on the government side, on the private side. If you were to write a memo to your younger public servant self, based on hindsight, what advice would you give?**

LeCompte: I think it's that list that I ticked through a couple of questions back. Finding the balance of the platforms and the formats that you can engage on, that are accessible and nimble but also appropriate for Treasury, that do allow a little bit more space and context around what you're communicating. Bring as many veterans to the effort as possible and really push to have the resources within the department that are going to give you the muscle to meet the moment, is really key.

Also, working to determine the key spokespeople, beyond the secretary, for the effort. Do those individuals sit within the policy teams? Do they sit within public affairs? Is it a combination of the two? But making sure that those resources are dedicated somewhere, so that it really can be a robust effort to communicate externally about what you're doing in a really informed way, while still giving the space to the people who need to spend the time doing the policy itself. That's no easy thing, but obviously something that needs a ton of attention.

And again, really making sure that communications is right there through the policy development process, so that the learning curve is as short as possible when things are actually finalized and ready to be deployed. So that you've got the communicators as steeped in the policy as possible, and thus best positioned to explain it to the reporters, who will then in turn be taking it up in real time.

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