

Janet Rehnquist faces investigation

Chief Justice's daughter purges Health and Human Services office

Peter Daniels
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A series of complaints about the conduct of the US Department of Health and Human Services (HHS) inspector general has shed some additional light on the workings of the Bush administration.

Janet Rehnquist, who previously held the relatively low-level post of an assistant US attorney in Virginia, was appointed in August 2001 to the inspector general's job at HHS, where she is responsible for oversight on the spending of more than \$450 billion annually for such programs as Medicare and Medicaid. She also happens to be the daughter of the chief justice of the US Supreme Court, William Rehnquist.

In the 15 months since she took office, Ms. Rehnquist has carried out a wholesale purge of her department, the largest of the 57 inspector general offices within the federal government. Nineteen career officials, including five of the six deputies in the department, have been removed through retirement, forced resignation or transfer.

Some of those who have been removed by Rehnquist have apparently taken their complaints to Congress and other government agencies. The dispute has reached into the Republican Party, with Iowa Senator Charles Grassley, the incoming chairman of the Senate Finance Committee, calling for a review of Rehnquist's actions. Grassley said the loss of the 19 officials could "hinder the performance of an office that has a stellar reputation for fighting fraud, waste and abuse in federal health care programs."

In a bizarre but significant sidelight to the Rehnquist dispute, officials are also looking into whether she illegally kept a gun in her office at HHS. Marcia J. Van Note, a former executive assistant to the inspector general, told investigators that her boss kept a pistol in

a file cabinet, and that she had a poster of a life-size human target posted on her office wall. She told co-workers that she used the target to practice her aim, according to a November 11 report in the *Wall Street Journal*, prompting the office's employees to fear for their safety.

Whether Rehnquist's illegal brandishing of a firearm at her workplace was a calculated attempt to intimidate her subordinates, evidence of mental imbalance or a combination of both is unclear. What has become increasingly evident, however, is that a management style that approaches a reign of terror is directed at rolling back longstanding procedures within the inspector general's office.

Every federal department and major agency has an inspector general. The HHS office is the biggest, with 1,600 employees. It was created in 1976, and was followed by the establishment of 57 similar offices throughout the federal government. In fiscal year 2000, the combined budgets of these 57 inspectors general was \$1.3 billion, and they recovered \$5.5 billion in waste and fraud, while recommending another \$15.6 billion be put to better use.

Incoming inspectors general often make some changes, but the wholesale turnover under Rehnquist is without precedent. According to the *Wall Street Journal*, Rehnquist "quickly put her stamp on the office, easing antifraud measures and instead emphasizing voluntary compliance. She scaled back the use of 'corporate integrity agreements', in which health-care companies found to have defrauded the government acquiesce to strict reporting conditions, saying she was 'concerned about [their] financial impact' on providers." Rehnquist's predecessor at

HHS, June Gibbs Brown, said these changes had “weakened the system...It’s really giving in to industry.”

Among those who left soon after Rehnquist’s arrival were Deputy Inspector General Tom Roslewicz, who retired a year early after Rehnquist attempted to force him to sign a loyalty pledge and denied him a customary bonus. Another deputy, D. McCarty Thornton, left under pressure. Both of these officials had won Meritorious Executive Presidential Rank Awards.

Two other deputies—Michael Mangano and George Grob—were told to leave, and were made no-show employees in the meantime. These two had won the most prestigious Distinguished Executive Presidential Rank Award for “a relentless long-term commitment to excellence in public service.”

Rehnquist is the only political appointee in her office, and she clearly felt that the veteran civil service employees on the staff were too conscientious in their hunt for fraud and waste among the big private providers of medical care. The ultra-right campaign against bureaucratic waste in government abruptly stops when it comes to big business illegally profiting off of government spending.

The Rehnquist dispute also lifts the veil on a practice of the Bush Administration that has received scant coverage in the media—rampant and unprecedented nepotism. She is only one of the many children of powerful government officials identified with the Republican right who have been catapulted into top jobs.

Elizabeth Cheney, the daughter of the vice president, occupies a State Department position created especially for her, and her husband is chief counsel of the Office of Management and Budget. The top lawyer at the Labor Department is Eugene Scalia, the son of another right-wing Supreme Court justice, Antonin Scalia. Secretary of State Colin Powell’s son, Michael Powell, is chairman of the Federal Communications Commission.

The cases of Scalia and Rehnquist are particularly revealing. Children of the leaders of the Supreme Court majority that installed Bush in the White House two years ago have been given powerful executive branch jobs. Eugene Scalia acted as one of the Bush campaign’s attorneys in the successful effort to have

his father and the other four right-wing Republican justices in the Supreme Court majority block a Florida vote recount, elevating Bush to the presidency despite the fact that his Democratic opponent, Al Gore, had won the popular vote and, in all likelihood, had outpolled Bush in Florida.



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