



FOR IMMEDIATE RELEASE
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BAUCUS SLAMS DOJ FAILURE TO PROVIDE DETAILS ON NO-BID CONTRACTS

Baucus to Mukasey: 80 million Medicare and Medicaid beneficiaries, all Americans deserve answers

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today criticized Attorney General Michael Mukasey for his failure to respond to a Jan. 22 request for information on one of his department’s out-of-court Medicare settlements. Medicare falls under the jurisdiction of the Senate Committee on Finance. A no-bid contract for monitoring the settlement was awarded to former U.S. Attorney General John Ashcroft by the U.S Attorney for New Jersey, who used to work for Ashcroft. Baucus has questioned the possibility of a potential conflict of interest.

“Medicare dollars belong to the American people, and the people have a right to know who’s making money to monitor multi-million dollar Medicare settlements and why. I’m waiting, along with millions of Medicare beneficiaries, to learn what the Justice Department can tell us about this questionable assignment,” said Baucus. **“Dollars for Medicare oversight must be spent to serve the beneficiaries of this vital program. I intend to ensure that’s the case with this settlement and all the others the Justice Department makes.”**

Baucus told Mukasey in today’s letter that answers are expected by Friday, March 7.

The text of the letter follows here:

February 26, 2008

Via Facsimile

The Honorable Michael B. Mukasey
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Dear Attorney General Mukasey:

I wrote you on January 22, 2008, regarding my concerns about the no-bid contract awarded by the United States Attorney for New Jersey, Christopher Christie, to his previous boss, former Attorney General John Ashcroft, to monitor a deferred-prosecution agreement with Zimmer Holdings. Unfortunately, you failed to provide a response. I am writing you again because I remain extremely concerned.

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As Chairman of the Committee on Finance, I take very seriously my responsibility to the more than 80 million Americans who receive health care through Medicare, Medicaid and the State Children's Health Insurance Program (SCHIP). I appreciate the role of the Department of Justice and its United States Attorneys in fighting fraud, waste and abuse in Federal health care programs. I also understand the value of deferred-prosecution agreements in attempting to efficiently resolve cases. I am, however, troubled by the secret nature of some of these agreements, including the monitoring contracts that are awarded as part of the agreements.

I am not alone in this regard. An editorial in today's *New York Times* says, "Congress should conduct a broader inquiry into prosecutors' selection of richly rewarded monitors and require that appointments are made based on merit."

My primary concern remains how the money spent paying monitors affects Medicare, Medicaid, and SCHIP. I am, though, very concerned about the appearance of impropriety in the examples of Mr. Christie's behavior contained in the *Times* editorial. Naturally, I am also left to wonder how widespread such behavior may be among United States Attorneys.

Therefore, I call on you to provide a briefing for my Finance Committee staff no later than Friday, March 7, 2008. I expect this briefing to cover not only the specifics of Mr. Ashcroft's contract for the Zimmer Holdings matter, but also to address the larger issue of how such contracts are awarded and what your department is doing to ensure that United States Attorneys comply with the highest moral, ethical, and legal standards in disposing of cases and entering into out-of-court settlements. Please contact David Schwartz or Elise Stein at the Committee at (202) 224-4515 to schedule the briefing and to raise any questions.

Sincerely,

Max Baucus
Chairman

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