



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Former CMS administrator's government settlement
Da: Tuesday, July 11, 2006

Sen. Chuck Grassley, chairman of the Committee on Finance, with jurisdiction over Medicare and Medicaid, today made the following comment on the government's settlement with Tom Scully, former administrator of the Centers for Medicare and Medicaid Services (CMS), over Scully's search for private employment while CMS administrator.

"The head of an agency should set an example for all employees with his conduct. If an agency leader is looking for a job instead of doing his work, the entire agency's ethics and productivity will suffer from the top down. The waiver given by the department to conduct an active job search while CMS administrator was inappropriate. The White House did the right thing by prohibiting such waivers in the future.

"As for the settlement, it's an insult to civil servants and taxpayers for a high-level official to look for a job on government time, seek false reimbursement for job search expenses, and to misrepresent what he was doing and why he was doing it. I hope this case isn't more evidence of a disciplinary double standard for low-level and high-level employees. At the FBI, the Justice Department inspector general documented 'several examples of lower-level employees being treated more harshly than more senior employees.' I plan to ask the Justice Department to explain its justification for settling this case the way it did, and for details of comparable cases and the resulting penalties."

The Justice Department inspector general report is the Semiannual Report to Congress/October 1, 2003-March 31, 2004, <http://www.usdoj.gov/oig/semiannual/0405/fbi.htm>.