October 27, 2010

A Campaign of Few Details, but Questions Keep Coming

By DAMIEN CAVE

NAPLES, Fla. — The question for Rick Scott at last week’s debate had been asked countless times: Why was he qualified to be Florida’s governor when his tenure as a chief executive of Columbia/HCA led to $1.7 billion in fines for defrauding the government? Was he involved, or too out of touch to know what was going on?

“Well, we built a great company, I started with my life savings” Mr. Scott said — but then a moderator interrupted. “We’ve heard that, though, you’ve already said that. So explain to me how it went so wrong.”

Mr. Scott continued with the same general response he has been using for months, leaving unanswered persistent questions about whether he was a competent and honest executive.

The answers to those inquiries, however, may determine whether Mr. Scott wins or loses. Strategists and polls suggest his contest with Alex Sink, the Democrat, is close. And for both candidates here, in a state with around 12 percent unemployment, where foreclosures are still rolling in, corporate history and integrity have become the defining issues.

Ms. Sink, 62, the state’s chief financial officer and a former bank executive, has come under attack from the Scott campaign for fines paid by companies where she worked. Those fines, by comparison, were much smaller (in the most prominent case, $6.7 million), and she has said they were tied to parts of the business she did not oversee.

Mr. Scott has also attacked Ms. Sink for her management of the state’s pension fund, which has lost value like those of most states. And this week, his campaign labeled her an “icheater” for reading a text message from an aide during the most recent debate.

Ms. Sink, in turn, has stayed focused on that $1.7 billion. Her campaign has run a series of stinging ads featuring Republican law enforcement officials describing Mr. Scott as untrustworthy, not just because of the hefty fines his former company paid, but also because of what the ads describe as a history of evasive responses. One number in particular appears often: 75. That is how often Mr. Scott invoked his Fifth Amendment right in a civil case tied to the Columbia/HCA fraud.

The ads seem to be sticking. When a dozen voters at two Scott events last week were asked what first came to mind at the mention of Mr. Scott’s name, all but one said Medicare fraud.
More surprising, they said Mr. Scott’s response was as important as the allegation itself. Several undecided voters said they wanted Mr. Scott to be more straightforward.

This is something Mr. Scott — 57, bald and wiry, with blue eyes that widen when he speaks — has generally hesitated to do. He says nothing about the fraud allegations in his stump speech. His Web site and a separate campaign site called Truth About Rick Scott emphasize that he was “never charged with doing anything wrong and he was never even questioned.” It does not explain what he knew or did not know about the fraud.

“We built a wonderful company,” he said last week while visiting a medical devices company in Naples. “I take responsibility for the mistakes I made.”

When asked to clarify, he said only, “I should have put more focus on internal controls” — a variation of what he has said in the two most recent debates.

Critics see a pattern of obfuscation. Mr. Scott has now become well known not just for invoking the Fifth Amendment 75 times, but also for refusing to release a deposition in a more recent case, and for his answers in a third deposition tied to Columbia/HCA. In that deposition, Mr. Scott claimed to be unsure of how to define “market,” “agreement,” “control,” “profit,” “overcapacity” or even “Central Florida.”

He has also boycotted newspaper editorial boards.

Even some of Mr. Scott’s friends have begun to question the strategy. “If it was me making the decisions, I’d have him talk more about it,” said Stephen Braun, the former general counsel for Columbia/HCA, who has known Mr. Scott for nearly three decades.

He and others who have worked with Mr. Scott say that he has become too scripted, too nervous, too beholden to campaign consultants. (“We reject that notion,” said Brian Burgess, the campaign’s communications director, in an e-mail.) They paint the picture of a C.E.O. who was brilliant, narrowly focused and unassuming but hard to warm up to, which may explain why he campaigns with his mother and wife.

Joshua Nemzoff, who was involved in selling several Florida hospitals to Columbia/HCA in the 1980s and ’90s, said it bothered him that many Floridians seemed to think Mr. Scott was a criminal. He said his friend inherited many of the billing problems that led to the fraud charges by buying hospitals quickly — and then buying more, sometimes after only days of research.

He described Mr. Scott as “very, very aggressive” negotiator who knew little if anything about government cost reports. “He’s a deal guy,” Mr. Nemzoff said. “He focused on deals and didn’t see it as his job as to whether Medicare cost reports were filled out.”
Mr. Scott has hinted at this. “The lesson I’ve learned is you have to broaden your focus,” he said in the debate last week.

But he still seems to be learning that lesson with politics. He runs his campaign less like a public official in training than an investor planning a hostile takeover — from headquarters high up in a Fort Lauderdale office tower with a security guard keeping track of who gets in.

Republican strategists say his style fits the moment; even a pro-business candidate with unanswered questions can win in a race against a Democrat in office. “He happens to have entered this race at the precisely the right time for someone with his background,” said Al Cardenas, the former head of Florida’s Republican Party.

If Mr. Scott wins, Mr. Cardenas said, it will be because he convinced voters that he will be singularly focused on one issue: jobs. If he loses, though, it may be because Mr. Scott failed to persuade voters to look beyond the job that has defined his career.