

MIKE HATCH: PUBLICITY HOUND OR CONSUMERS BEST FRIEND?

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By Dane Smith, Staff Writer

Hundreds of "attaboy" e-mails and letters poured into Attorney General **Mike Hatch's** office after he took legal action against Allina Health System, the latest in a series of Hatch attacks on some of Minnesota's largest employers.

"Keep the pressure on? We have been bamboozled by the entire health care industry," one e-mail read. Many others exhorted Hatch to gird for counterattacks.

Simultaneously, his initiative against one of the state's largest health care companies provoked a familiar complaint: that Hatch is a reckless political opportunist and publicity-seeker.

"Never met a headline he didn't like," said Duane Benson, executive director of the Minnesota Business Partnership, representing the state's biggest companies. His mode is to put it in the press, do the damage, make them guilty by public perception, so his targets have to [settle in court] and get it behind them."

These two views of Hatch - heroic defender of the consumer and opportunistic business-basher - are in sharper relief than ever as he heads for a probable reelection campaign in 2002.

Hatch, a fair-haired, trim and youthful-looking 52-year-old, concedes nothing to his critics and responds with an almost cocky defiance.

"On almost every lawsuit, we have either won, or they have settled and agreed to stop doing what they were doing," Hatch said, as he reviewed his recent record of lawsuits against banks, insurance companies and telemarketers.

Allina executives have said Hatch has unfairly used the media to pursue an agenda against health care companies. They said his claims that they were improperly wasting money on lavish perks and administrative costs were unfounded and overstated.

Replied Hatch: "U.S. Bank said that. We won. American Family (Insurance) said that. We won." And on Friday, Allina executives essentially gave Hatch what he sought: virtually unlimited access to their records in an audit that will be refereed by a neutral party and paid for by Allina.

David Olson, president of the Minnesota Chamber of Commerce, said the problem with Hatch is that he shoots first - files lawsuits -

and asks real questions later. "If he's concerned about something, why not sit down and talk? His first step is to blast them in the papers, celebrate in his office and move on to the next target."

Hatch sees it differently.

"What these companies want to say is . . . If you catch us at something, just give us a call and we'll agree not to do it," he said. The corporate attitude too often "is that if I can pollute at will, if I can violate people's privacy, if I can cheat on airfares, if I can engage in consumer fraud, and the worst that's gonna happen is somebody calls me up, there's no deterrent," Hatch said.

Boxing gloves

Hatch obviously relishes his reputation as a fearless scrapper.

The first thing one sees on entering his spacious Capitol office is a pair of battered boxing gloves on a coat rack just inside the door.

Another conspicuous symbol is a book prominently displayed on a table in the office, a memoir by populist lawyer Clarence Darrow, titled "Attorney for the Damned." Six pink Post-it notes mark Hatch's favorite pages.

Among the marked passages: "The only way in the world to abolish crime is to abolish the big ones and the little ones together." Another: "There are some things higher than the laws. . . . There is an innate sense of justice."

Confronting the powerful on behalf of ordinary people, while doggedly pursuing his own advancement, have been dual themes of Hatch's *career*.

He speaks proudly of his grandfather, a mayor in the northwestern town of Battle Lake who stood up for a persecuted Jewish family in the early 1900s.

Hatch was born in Des Moines and was raised in relative middle-class comfort in Duluth, the son of a heavy-equipment salesman. But he said he put himself through the University of Minnesota Duluth, and its law school in the Twin Cities, by working as a merchant seaman on the Great Lakes.

He got involved in politics in the late 1970s, quickly rose to become DFL Party chair, presided over a party resurgence in the early 1980s and was appointed commerce commissioner by Gov. Rudy Perpich. He rapidly became known as a street-smart, tenacious regulator, a frequent foe of insurance companies, and also something of an end-zone dancer.

In the late 1980s, for example, Hatch debated executives of the St. Paul

Companies on a "Nightline" TV segment over questions about their

malpractice insurance rates. Convinced that he had gotten the better of them, he collected some of his aides in the ABC-provided limousine, and they celebrated by driving past the company headquarters, toasting with some left-over ouzo.

And the day after his blast at Allina hit the news, Hatch served cake, decorated with "Good Job," to his investigators working on the case.

Political pivoting

Some DFLers are still angry and disappointed that Hatch, after Perpich had given him the break of his career, ran against his boss and weakened him in the 1990 DFL gubernatorial primary.

His critics say Hatch tried to pull off one of the more cynical stunts in Minnesota politics when, in the space of four years, he went from selling himself as the abortion-rights alternative to Perpich to remaking himself as an abortion-opposing alternative to DEL nominee John Marty in 1994.

Hatch is a little sheepish about that flip-flop now and says the whole 1994 candidacy was a disaster. "In '94 I was dead, washed up, it was stupid for me to run." He says he remains an abortion-rights advocate.

After 1994 he returned to private law practice, in which he mostly defended corporate clients, but also began representing women who were being denied experimental treatments for breast cancer. Working with those women and challenging a health care establishment that he felt was inefficient and callous created "a turn in my life."

Hatch says he was reinvigorated by those court battles, mostly successful, and was inspired to run for attorney general. He ran a third straight time against his party's endorsee and finally prevailed in 1998, defeating Ember Reichgott Junge, who was then a state senator, in the primary and Charlie Weaver, then a state representative, in the general election.

Junge says she has no complaints about Hatch's campaign and found him afterward to be a highly effective ally on privacy legislation and efforts to clamp down on "rent-to-own" companies.

Hatch brings great strength to the office as "a private litigator with passion," Junge says, but she offers a subtle warning about his pugnacious style.

"If [allegations] are founded in fact, then the actors should be held accountable. But if they are unfounded, Mike's approach can cause great damage to lives and reputations. . . . I commend him for his success, but he's taking some large risks."

Health Care Reviews

Hatch is convinced that he's on solid ground with Allina, and he has made it clear that he's planning a broader investigation of the health care management industry in Minnesota.

It's not winning him many friends in the DFL establishment, which has more ties to the health care field than Republicans have. A rousing letter of support for Allina was sent to the Star Tribune last week by three DFL heavyweights, Metropolitan Council Chairman Ted Mondale, Hennepin County Commissioner Peter McLaughlin and Minneapolis Mayor Sharon Sayles Belton.

All of which goes to show, Hatch says, that higher political office, namely the governor's office, isn't his primary motivation.

"I'm not going to say I'll never run [for governor]," he said, noting with a laugh that no Minnesota attorney general in modern history has successfully made that leap, although several have tried.

"I don't need it," Hatch says of the governor's office. "I'm 52, I want to go back into private practice, I want to run [for] one more term."

ATTORNEY GENERAL MIKE HATCH

- Born: Nov. 12, 1948 in Des Moines.
- Family: Wife, Patricia; daughters Katharine, Elizabeth and Ann.
- Home: Burnsville.
- Education: Duluth East High School, University of Minnesota-Duluth, law degree from University of Minnesota.
- Career: Private law practice 1973-80; chairman of the DFL Party, 1980-83; Commissioner of Minnesota Commerce Department, 1983-90; private law practice 1990-98; elected attorney general 1998.