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Joan Claybrook, President

## **The Bush Administration's Drug Importation Task Force Delivers Another Favor for the Prescription Drug Industry**

The findings of the federal Drug Importation Task Force, which essentially continues a legislative stalemate that prohibits importing prescription drugs from Canada, must be framed by the fact that over half of its members (7 of 13) are Bush political appointees and there is not one single outside expert on the panel. These political appointees owe their jobs to a President who owes his job, at least in part, to extensive political contributions and support from the pharmaceutical industry.

An investigation by Public Citizen reveals that the task force review on drug importation occurred against a backdrop of lobbying of the Bush administration by some of its former senior staff on behalf of the drug companies. A review of lobbyist registration forms has revealed that seven former senior members of the administration are listed as on the specific issue of drug importation, six of whom lobbied their former agency. But these seven are not the only people who have passed through the revolving door between the Bush administration and the pharmaceutical industry.

Public Citizen has compiled a list of at least 14 former Bush administration officials who exploited their public service by leaving the administration for lucrative positions lobbying or working for the pharmaceutical industry. Also listed are two former drug company executives who have been placed in influential health policy positions within the Bush Administration.

Yet another tool used by the pharmaceutical industry to sway the position of the Bush administration is campaign contributions. A Public Citizen analysis shows that at least \$2.2 million was raised for Bush's two presidential campaigns by 13 drug company executives and their leading lobbyists by bundling together contributions from employees, colleagues and friends.

Collectively, the makeup of the Drug Importation Task Force, the lobbying campaign by the pharmaceutical industry and the industry's campaign contributions form a frame of suspicion around the task force's findings.

## Members of the Drug Importation Task Force

The Drug Importation Task Force was established and selected at the discretion of Health and Human Services Secretary Tommy Thompson. At least seven of the members of the task force are political appointees. Three are career federal employees and there are no external experts. The offices of another three officials refused to disclose the status or career details of those officials. According to the Task Force report, one of those officials, Colette Winston, was apparently replaced with another Department of Justice attorney, Tracey Hardin. The Department of Health and Human Services (HHS) press release also lists as a task force member another political appointee, Undersecretary of Commerce for International Trade Grant Aldonas, but he is not listed on the report or in the original charter of the task force as a member. No members of the task force represent outside experts.

### Political Appointees

- **Richard H. Carmona\*** (chairman), Surgeon General, H.H.S.
- **Alex M. Azar II,\*** General Counsel, H.H.S.
- **Josefina Carbonell,\*** Assistant Secretary for Aging, H.H.S.
- **Lester M. Crawford,†** Deputy Commissioner, F.D.A.
- **Mark B. McClellan,\*** Administrator, Centers for Medicare & Medicaid Services, H.H.S.
- **Mike O’Grady,\*** Assistant Secretary for Planning and Evaluation, H.H.S.
- **Amit K. Sachdev,†** Acting Deputy Commissioner for Policy, F.D.A.

Note: “\*” denotes a presidential political appointee and “†” denotes a mid-level political appointee.

### Career Employees

- **Jayson Ahern,** Assistant Commissioner, Office of Field Operations, U.S. Customs and Border Protection, Department of Homeland Security.
- **Elizabeth M. Duke,** Administrator, Health Resources Services Administration, H.H.S.
- **William Raub,** Deputy Assistant Secretary for Public Health Emergency Preparedness, H.H.S.

### Officials Whose Offices Refused to Disclose Their Employment Status and History

- **Tom Reilly,** Public Health Branch Chief, White House Office of Management and Budget.
- **Elizabeth A. Willis,** Chief of Drug Operations, Office of Diversion Control, U.S. Drug Enforcement Administration.
- **Colette Winston,** Attorney, Department of Justice (replaced by DOJ attorney Tracey Hardin).

## Pharmaceutical Industry Fundraisers for Bush

Thirteen pharmaceutical industry executives or lobbyists rank among Bush’s “Rangers” and “Pioneers,” the honorary titles given to those who have raised at least \$200,000 or \$100,000, respectively, for one of Bush’s presidential campaigns. Since the 2002 ban on corporate “soft money,” presidential campaigns have increasingly relied on these types of fundraisers to “bundle” together “hard money” checks in amounts up to \$2,000 from their associates. It is a common tactic used by lobbyists and executives to gain influence.

Together, these pharmaceutical industry super-fundraisers have raised at least \$2.2 million for Bush.

### Bush Fundraisers Who Are Executives or Lobbyists of Pharmaceutical Companies

Name	Occupation	Employer	Fundraiser Status	Minimum Raised
Kirk Blalock	Lobbyist	Fierce Isakowitz & Blalock (Clients: Generic Pharmaceutical Association, Actelion and the Coalition for a Competitive Pharmaceutical Market)	Pioneer 2004	\$100,000
Ronald F. Docksai	Vice President Government Relations	Bayer Corp	Pioneer 2000	\$100,000
Bruce S. Gelb	Retired Vice Chair	Bristol-Myers Squibb	Pioneer 2004	\$100,000
Lanny Griffith	Lobbyist	Barbour Griffith (Clients: GlaxoSmithKline and Pfizer)	Ranger 2004	\$200,000
Richard F. Hohlt	Lobbyist	Hohlt & Co. (Client: Bristol-Myers Squibb)	Pioneer 2000 Ranger 2004	\$300,000
Tom Loeffler	Lobbyist	Loeffler Jonas & Tuggey (Clients: Bristol-Myers Squibb and Purdue Pharma)	Pioneer 2000 Ranger 2004	\$300,000
Ronald C. Kaufman	Lobbyist	Dutko Group (Client: Amgen)	Pioneer 2000 Pioneer 2004	\$200,000
Kenneth Kies	Lobbyist	Clark Consulting (Client: Schering-Plough)	Pioneer 2004	\$100,000
Hank McKinnell	Chair & CEO	Pfizer	Ranger 2004	\$200,000
Christine Davis O'Brien	Lobbyist	AstraZeneca	Pioneer 2000	\$100,000
Bill Paxon	Lobbyist	Akin Gump (Clients: Abbott Laboratories, Johnson & Johnson, Pfizer and PhRMA)	Pioneer 2000 Pioneer 2004	\$200,000
John P. Schmitz	Lobbyist	Mayer Brown Rowe & Maw (Clients: Pfizer, Pharmaceutical Systems Group of America)	Pioneer 2000 Pioneer 2004	\$200,000
John R. Stafford	Ex-Chair	Wyeth	Pioneer 2000	\$100,000
<b>Totals</b>			<b>11 Pioneers 4 Rangers</b>	<b>\$2.2 Million</b>

Source: Public Citizen’s Web site, <http://www.WhiteHouseForSale.org>.

## **Revolving Doors: Former Bush Administration Officials Now Working for the Pharmaceutical Industry**

At least 14 senior officials have left positions within the Bush administration to work or lobby for pharmaceutical companies or the Pharmaceutical Research and Manufacturers of America (PhRMA), the industry's trade association. At least seven of those officials have been deployed by the industry to lobby the administration and Congress on the specific issue of drug importation. At least six of them are registered to lobby the White House and the Department of Health and Human Services.

U.S. law prohibits federal officials from lobbying their former colleagues for a period of one year, but the prohibition only applies to the specific sub-office where an official used to work. This allows former officials to broadly exploit the knowledge and connections they attained in the course of their public service, which is illustrated by the large number of officials listed below who are registered to lobby their former agency. This practice gives special interests an advantage over the public in advancing their agendas and corrupts the federal decision-making process by enticing officials with lucrative jobs that are offered largely because of those officials' current position.

Public Citizen supports several reforms that would end this abuse, including extending the cooling off period from one to three years, barring former officials from "supervising" others who lobby their former colleagues, and broadening the section of the government to which the cooling off period applies.

- **Jack Howard** was President Bush's deputy director of legislative affairs from 2001 to 2003, where he promoted the president's agenda in Congress as the second-ranking member of the White House legislative affairs operation. He now works at Wexler & Walker Public Policy Associates, where his clients include pharmaceutical companies Cephalon, Amgen and Wyeth. In 2004 Howard lobbied the White House, Department of Justice, and the Drug Enforcement Administration on drug importation for Cephalon.\*
- **Dirksen Lehman** was Bush's special assistant to the president for legislative affairs, where he served as the chief White House liaison to the Senate for Medicare, Medicaid and other health care issues. Lehman left to become a lobbyist for the firm of Clark & Weinstock in May 2003, just in time to lobby key Senate committees during the Medicare debate on behalf of clients such as Aventis Pharmaceuticals, Novartis and PhRMA. In 2004 Lehman lobbied the White House and HHS on drug importation for PhRMA.\*
- **Timothy Morrison** was Bush's associate director of presidential personnel, where he helped vet Bush appointees and guide them through the confirmation process. He had joined the administration after serving as the 2000 Bush-Cheney campaign's research director. After helping install many health care officials in the administration he left for the firm of Clark & Weinstock in March 2001. There, Morrison focuses on lobbying his former colleagues at the White House and "message development" for clients such as the Biotechnology Industry Organization (BIO), Eli Lilly and PhRMA. In 2004 Morrison lobbied HHS and the White House on drug importation for PhRMA.\*

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\* Public Citizen analysis of lobbying disclosure forms filed with the Secretary of the Senate and Clerk of the House.

- **Bill Clark** worked under Morrison in the White House Office of Personnel and the 2000 Bush-Cheney campaign, where he was the deputy research director (he had also previously worked for the National Republican Congressional Committee and the RNC). In 2001 he left the White House for the lobbying firm Podesta Mattoon. The firm markets Clark as someone with the “know-how to get things done in Washington and the connections to achieve results” for their clients, which include Genzyme, a bio-pharmaceutical company. In 2004 Clark lobbied the White House and HHS on drug importation for Genzyme.\*
- **Robert Wood** was the chief of staff for Health and Human Services Secretary Tommy Thompson when he was hired by the firm of Barbour, Griffith & Rogers in June 2003. There he is the director of state affairs and has lobbied Congress on behalf of Bristol-Myers Squibb, GlaxoSmithKline, Pfizer, and PhRMA. In 2004 Wood lobbied HHS and the White House on drug importation for Pfizer and GlaxoSmithKline.\*
- **Juleanna Glover Weiss** was Cheney’s press secretary before she joined numerous other former administration officials at Clark & Weinstock in February 2002. Her clients at the firm include BIO, Eli Lilly and PhRMA. In 2004 she lobbied HHS and the White House on drug importation for PhRMA.\*
- **Robert Marsh** was another White House legislative affairs staffer who left in 2003 to join the OB-C Group, where he has represented the Biotechnology Industry Organization, whose membership includes several drug companies. In 2004 Marsh lobbied Congress on drug importation for the Healthcare Distribution Management Association.\*
- **Kirk Blalock** was the special assistant to the president and deputy director of the White House Office of Public Liaison for two years, serving as the Bush administration’s top liaison to the business community. He regularly strategized with Karl Rove and rallied business support for the president’s tax cuts and other issues. Blalock left the White House in 2002 to join the lobbying firm of Fierce & Isakowitz (now known as Fierce, Isakowitz & Blalock). Among his clients are the Generic Pharmaceutical Association, Actelion (a bio-pharmaceutical company), and the Coalition for a Competitive Pharmaceutical Market, which includes several pharmaceutical companies. Blalock also has become a leading fundraiser for the president, achieving “Pioneer” status by raising \$100,000 for the Bush-Cheney re-election campaign.
- **Carlos Bonilla** was a special assistant to the president for economic policy, dealing mainly with tax, aviation and pension issues. He had previously worked as an economist for the House Budget Committee, the Heritage Foundation, the U.S. Chamber of Commerce, and the Employment Policies Institute (where he focused on health care). In March 2003 Bonilla rejoined the private sector as a lobbyist for The Washington Group and now represents clients such as Bio Marin Pharmaceuticals and Ranbaxy Pharmaceuticals.

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- **James C. Capretta** was the top official on Medicare policy development at Bush’s Office of Management and Budget (OMB), but left the White House in mid-June 2004 to join Wexler & Walker Public Policy Associates. The lobbying firm represents such pharmaceutical companies as Amgen, Hoffman-LaRoche, and Wyeth.
- **Karen Knutson** was the former deputy assistant to the vice president for domestic policy, where she focused on energy and environment issues – most notably as the deputy director of Cheney’s secretive energy task force. She joined ML Strategies in (insert month) 2003, where she offers her clients – including PhRMA – her considerable access and experience.
- **Steve Ruhlen** was a deputy assistant to the vice president for legislative affairs, and was Cheney’s liaison to Congress on appropriations, energy, defense and homeland security issues. He left Cheney’s office in February 2003 to work for the Capitol Hill Consulting Group, where his clients include Millennium Pharmaceuticals, Novartis and Purdue Pharma. But Ruhlen – who previously spent eight years as chief of staff to Rep. Henry Bonilla (R-Texas) – didn’t stay long in his new position. In September 2004, he left for J.P. Morgan.
- **Tom Scully** was the chief administrator for the Centers for Medicare and Medicaid Services (CMS) – and Bush’s lead negotiator with Congress on the prescription drug bill – when he began discussing employment possibilities with half a dozen potential healthcare-sector employers. In December 2003, less than one month after the bill was signed into law, Scully accepted jobs from both the lobbying firm Alston & Bird and the private equity investment firm Welsh, Carson, Anderson & Stowe. Since Scully came on board, Alston & Bird has signed up at least a dozen pharmaceutical company clients, including Abbott Laboratories and Aventis Pharmaceuticals. In 2004 Scully lobbied HHS on “issues related to implementation of the Medicare Modernization Act of 2003” for Abbott, which could include drug importation, the weak lobbyist reporting requirements make it impossible to tell.\*
- **Dallas “Rob” Sweezy** worked for Scully as CMS’s director of public and intergovernmental affairs. He left CMS a month after Scully, in January 2004, in time to capitalize on his experience by working for National Media Inc. – the advertising firm hired by the Bush administration to produce television ads touting the new Medicare law. Sweezy then joined the lobbying game in May 2004 by going to work for the firm of Loeffler Jonas and Tuggey, which represents Bristol-Myers Squibb and Purdue Pharma.

The industry has also placed at least two of its former lobbyists deep in the Bush administration, where they are positioned to push their former (and potentially future) employers’ interests:

- **Doug Badger** became Bush’s top health policy adviser in October 2002 after helping to bring in more than \$1 million for Washington Council Ernst & Young in 2002 from clients like Aventis Pharmaceuticals, Baxter Healthcare, Biogen, Eli Lilly, Johnson & Johnson and Pfizer.
- **Ann-Marie Lynch**, the principal assistant deputy secretary for planning and evaluation at H.H.S., is a former lobbyist for PhRMA. She lobbied HHS and the FDA for PhRMA on drug importation in 2001.\*

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