



United Seniors Association: Hired Guns for PhRMA and Other Corporate Interests – Updated October 17, 2002

Public Citizen issued a report in July 2002 that exposed the United Seniors Association (USA) as a mouthpiece for the brand-name pharmaceutical industry, which is locked in a fierce congressional debate over Medicare prescription drug coverage and access to generic pharmaceuticals. The report found that USA was running millions of dollars worth of “issue ads” financed by the Pharmaceutical Research and Manufacturers Association (PhRMA) – the drug industry’s trade and lobbying group. The report is available at <http://www.citizen.org/congress/articles.cfm?ID=7999>.

Since the report’s release, USA has launched another round of TV ads. Like many of USA’s earlier spots, these sham “issue ads” are really designed to help industry allies who face tough reelection campaigns. The following is an updated rundown of USA’s prescription drug campaign:

- Public Citizen estimates that USA will spend at least \$17.6 million during the 2002 election cycle on prescription drug sham “issue ads” and Internet/direct mail activities. (See Table 1)
- In 2002 alone, Public Citizen estimates that USA will spend at least \$10.6 million on drug ads – 18 percent more than USA’s total budget in 2000 (\$9 million), the last year for which financial information is available. Moreover, there is no record of USA having ever run issue ads prior to 2001.
- On September 12, USA announced a new \$4 million “issue ad” campaign targeting 20 members of Congress in 16 states.¹ The ads thank congressmembers who voted for a House Republican and drug-industry supported measure to provide Medicare beneficiaries with subsidies to buy private drug insurance. The ads ask viewers to call their congressmember “and let him know you support his plan to add prescription drug coverage to Medicare.”
- The ad ran in the districts of four House Democrats and 16 Republicans. (See Table 2) Virtually all of the Republicans featured in the ads are in competitive races with Democrats. The few Democrats included in the ad campaign are either in safe seats or not even running in the general election (Rep. Gary Condit lost his primary race). This suggests that USA may be running ads in the districts of a few Democrats for political cover to protect itself from an Internal Revenue Service enforcement action. USA is running a serious risk of being charged with participating in political campaigns on behalf of candidates for public office, which would be in violation of its 501(c)(4) non-profit status. Indeed, the House is not considering any prescription drug legislation and it appears that USA is trying to capitalize on one of the hottest campaign issues to help elect the drug industry’s preferred candidates.
- Neither USA nor PhRMA will comment on how much the drug industry has given to the conservative seniors group. But according to a recent story in the *Wall Street Journal*, “most of the costs associated with the effort – including an additional \$4 million Internet and direct-mail campaign – are supported by a ‘general educational grant’ from PhRMA.”²

- USA kicked off the prescription drug TV ads in August 2001 with a \$3 million ad buy in 19 congressional districts.³ As Congress finally began gearing up to consider the drug legislation, USA ran a \$4.6 million TV ad campaign in May/June 2002 to coincide with House Republican leaders' push for legislative action on a Medicare drug bill.⁴ Then, in early July, USA spent \$2 million for ads that thanked 29 Representatives for supporting the House GOP prescription drug bill.⁵
- In addition to running prescription drug ads promoting a drug industry plan, USA has lent its name and membership to several business-led coalitions to push Republican proposals ranging from nuclear waste storage to drilling in the Arctic National Wildlife Refuge. On September 3, the Coalition for the Modernization and Protection of America's Social Security (COMPASS) announced a multimillion-dollar campaign to promote personal savings accounts as a way to "save social security."⁶ Members of the group include USA, Business Roundtable, U.S. Chamber of Commerce and the National Association of Manufacturers. The group is expected to spend \$6 to \$8 million on TV ads, print media and direct mail. Mark McKinnon, an ad consultant to President Bush's 2000 campaign, created the ads.⁷
- Behind the pharmaceutical ads are people with long connections to drug industry front groups and GOP politics. The May/June 2002 ad wave was produced by Tim Ryan, who worked as PhRMA's marketing director until he was tapped to lead the drug-industry front group Citizens for Better Medicare (CBM). CBM spent at least \$65 million during the last election cycle – much of it used to affect the outcome of key races. Ads in August/September 2001 focusing on the Medicare prescription drug issue were produced by Cold Harbor Films, which is headed by Alex Castellanos who produced ads in 2000 for presidential candidate George W. Bush, the Republican National Committee and CBM.

**Table 1:
USA's Expenditures for Medicare Prescription Drug "Issue Ads" and its
Internet/Direct Mail Project**

Issue	Dates	Costs	Funded By
Internet and direct mail campaign	Summer/Fall 2002	\$4,000,000	PhRMA
TV ad promoting Republican drug industry allies in close election races	September 2002	\$4,000,000	N/A
TV ad thanking congressmembers for vote on House Republican drug bill	July 2002	\$2,000,000	N/A
TV ad pushing for approval of House Republican drug bill	May/June 2002	\$4,600,000	PhRMA
TV ad pushing for approval of House Republican drug bill	August/September 2001	\$3,000,000	N/A
Prescription Drug Issue Expenditures		\$17,600,000	

Source: Public Citizen analysis of USA ads reported by National Journal's Ad Spotlight; Robin Toner, "A Health Care War Is Raging in the House," *The New York Times*, June 18, 2002; Tom Hamburger, "Drug Industry Moves to Boost Image Before Vote," *The Wall Street Journal*, September 16, 2002; and "USA Prescription Freedom Campaign Expands to 16 States," United Seniors Association Press Release, September 12, 2002.

**Table 2:
United Seniors Association's Latest Sham "Issue Ad"**

Issue Ad Start Date	Script	Targets
September 2002	<p>America's seniors deserve the best of health, and Medicare is our promise to them. <u>Name</u> understands. That's why he voted to add meaningful prescription drug coverage to Medicare for all seniors.</p> <p>Under <u>Name's</u> plan, seniors who now pay retail prices would see their out-of-pocket drug costs fall by as much as 70 percent ... and seniors would have complete protection against catastrophic drug costs.</p> <p>Call <u>Name</u> and let him know your support his plan to add prescription drug coverage to Medicare.</p> <p><i>(On screen: Support Name's plan to add prescription drug coverage to Medicare. Urge him to keep fighting for his bill. www.unitedseniors.org)</i></p>	<p>Reps. Charles Bass (R-N.H.); Henry Bonilla (R-Texas); Shelley Moore Capito (R-W.V.); Gary Condit (D-Calif.); George Gekas (R-Penn.); Ralph Hall (D-Texas); Robin Hayes (R-N.C.); Steve Israel (D-N.Y.); Nancy Johnson (R-Conn.); Joseph Knollenberg (R-Mich.); Tom Latham (R-Iowa); Anne Northup (R-Ky.); Jim Nussle (R-Iowa); Collin Peterson (D-Minn.); Charles Pickering (R-Miss.); E. Clay Shaw (R-Fla.); John Shimkus (R-Ill.); Robert Simmons (R-Conn.); Pat Toomey (R-Penn.); and Heather Wilson (R-N.M.).</p>

Source: United Seniors Association and Meg Kinnard, "Seniors Group Airs New Ads For Rx Coverage," *National Journal*, September 11, 2002. The ad can be viewed at <http://www.unitedseniors.org/videos/TVAds.cfm>.

Endnotes

¹ "USA Prescription Freedom Campaign Expands to 16 States," United Seniors Association Press Release, September 12, 2002 and Meg Kinnard, "Seniors Group Airs New Ads For Rx Coverage," *National Journal*, September 11, 2002.

² Tom Hamburger, "Drug Industry Moves to Boost Image Before Vote," *The Wall Street Journal*, September 16, 2002.

³ Mark Rodeffer, "Seniors Group Demands Rx Coverage," *National Journal*, Tuesday, September 4, 2001.

⁴ Amy Goldstein and Jim VandeHei, "House GOP Offers Third Hill Plan for Prescription Drugs," *The Washington Post*, June 18, 2002.

⁵ "United Seniors Association Run Ads In Support of Shaw," *CongressDaily*, July 2, 2002 and "United Seniors Association TV Ad: 'Medicare's Promise to Seniors,'" United Seniors Association Press Release, July 1, 2002.

⁶ "National Coalition Kicks Off Campaign to Educate Americans on Need to Modernize, Protect Social Security," *U.S. Newswire*, September 3, 2002.

⁷ Leigh Strope, "Version Touts Bush Idea for Personal Investment," *Associated Press*, October 3, 2002.