



Buyers Up • Congress Watch • Critical Mass • Global Trade Watch • Health Research Group • Litigation Group
Joan Claybrook, President

January 28, 2004

The Honorable Joel Hefley, Chair
The Honorable Alan Mollohan, Ranking Minority Member
Committee on Standards of Official Conduct
HT-2, The Capitol
U.S. House of Representatives
Washington, D.C. 20515
FAX: 202-225-7392

**Re: Possible Violations of Code of Official Conduct
and 18 U.S.C. 207(e)(1)(A)
U.S. Representative W.J. “Billy” Tauzin (R-La.)**

Dear Chairman Hefley and Ranking Minority Member Mollohan:

We are writing to inform you of possible violations by Rep. W.J. “Billy” Tauzin (R-La.) of the House Code of Official Conduct, Rule 43, clause 3, regarding negotiations for future employment, as well as 18 U.S.C. 207(e)(1)(A), regarding lobbying activities by a Member of Congress.

It is distressing that immediately on the heels of congressional approval of the omnibus Medicare prescription drug bill, a second public official – this time Rep. Tauzin, chair of the House Energy and Commerce Committee – is negotiating private employment with business interests actively engaged in lobbying for the legislation. The first public official to do so was Thomas Scully, former Administrator of the Centers for Medicare and Medicaid Services, the subject of a separate ethics complaint filed by Public Citizen.

Apparently, the Medicare prescription drug bill was not only a windfall for the pharmaceutical industry, but also for several of the public officials who negotiated the final legislation.

As soon as Rep. Tauzin began drafting a Medicare prescription drug bill in 2001 with Rep. Bill Thomas (R-Calif.), the pharmaceutical industry bumped up its campaign contributions to the chairman. Approximately 6 percent (\$119,750) of Rep. Tauzin’s campaign contributions came from the pharmaceutical industry in 2001-2002 when he was running for re-election, and 11.5 percent (\$55,500) in 2003-2004 when he started talking about retiring from Congress.

More significantly, Rep. Tauzin played a central role in negotiating the Medicare prescription drug legislation, which was finally approved by Congress on November 25, 2003. The Pharmaceutical Research and Manufacturers of America (PhRMA), the pharmaceutical industry’s premier lobbying

Ralph Nader, Founder

215 Pennsylvania Ave SE • Washington, DC 20003 • (202) 546-4996 • www.citizen.org

association, made the prescription drug bill its top legislative priority. Massive campaign contributions, lobbying expenditures, advertising and public relations efforts were spearheaded by PhRMA to shape the prescription drug bill in ways the industry likes and to stave off measures it doesn't. Rep. Tauzin worked closely with PhRMA, the White House, and Republican leaders of Congress to craft the final legislation.

During that period of intense lobbying activity by PhRMA, Rep. Tauzin was considering retiring from Congress and moving into private employment.¹

PhRMA has now offered Rep. Tauzin a contract deal rumored to be worth \$2.5 million to become president of the lobbying association, which is likely the largest compensation package for anyone at a trade association. Such a lucrative contract offer from a lobbying firm with a vested interest in the outcome of the Medicare legislation, made public less than two months after its legislative victory, raises serious questions about whether Rep. Tauzin's official actions were tainted by self-interest.

To clear concerns that a violation of House conflict of interest rules occurred, Public Citizen requests that the Committee on Standards of Official Conduct investigate whether Rep. Tauzin formally or informally opened negotiations for employment with PhRMA while participating in the formulation of the Medicare prescription drug legislation.

We can think of no comparable example in recent times where a leading member of Congress left office to head such a powerful trade association. Therefore, Public Citizen also requests that, should Rep. Tauzin accept the job offer at PhRMA, the Committee on Standards of Official Conduct review and enforce its rules against a former Member of Congress acting as chief lobbyist on legislative matters of prior concern. Known as the "revolving door policy," 18 U.S.C. 207(e)(1)(A) prohibits Rep. Tauzin from directly lobbying Congress within one year of leaving office. Rep. Tauzin may claim to satisfy the revolving door policy while heading PhRMA by letting others do his lobbying for him. But as president of PhRMA, any message conveyed by PhRMA's lobbyists to Congress on pending legislation would inevitably be perceived as communications from Tauzin himself.

Governmental ethics has taken a beating over the last couple years with the reckless, if not willful, disregard of conflict of interests by lobbyists, business executives and appointed and elected public officials. The rules of ethics that govern current and former members of Congress are notoriously lax. If public confidence is ever to be regained, Congress must start taking ethics seriously. Public Citizen asks that the Committee on Standards of Official Conduct revise these rules before Congress is tainted with yet another possible violation of ethical behavior.

Sincerely,

Joan Claybrook
President,
Public Citizen

Frank Clemente
Director,
Congress Watch

Craig Holman
Legislative Representative,
Congress Watch

¹ See, for example, Bruce Alpert, "Tauzin Says He's Not Leaving Congress; Rumors Say He Is Favorite to Lead Hollywood Lobby," *Times Picayune*, September 29, 2003.