

Members of Congress Face Conflict of Interest When it Comes to Drug Companies

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During a year when prescription drug prices and benefits are among the hottest political topics, dozens of members of Congress also have another reason to keep their eyes on pharmaceutical companies.

These senators, House members and their families own tens of millions of dollars in stock in drug manufacturers, whose profits could rise or fall depending on what Congress does about the soaring prices of medicine and the push for Medicare drug benefits.

The legislators' stock holdings are legal but create appearances that trouble some congressional watchdogs and public policy experts.

Rep. Robin Hayes, R-N.C., one of the wealthiest members of Congress, owned more than \$11 million in drug stocks on Dec. 31, 1999, the Washington Bureau of McClatchy Newspaper found in reviewing 180 members' latest financial disclosure statements. The reports showed that 36 members or their families owned drug stocks - including a number who sit on committees with jurisdiction over the industry.

Rep. Jim Sensenbrenner of Wisconsin owned shares worth \$2.2 million to \$7.1 million in five drug makers. He is the ranking Republican on a Judiciary subcommittee that often reviews patent legislation that can deliver windfalls to name-brand drug companies.

Although **Sen. John Kerry, D-Mass.**, sits on the Senate Commerce Committee that likely will have a role in shaping any Medicare drug package, his wife Teresa, a Heinz family heiress, owned shares in eight drug companies worth \$2.1 million to \$4.2 million.

The year-end pharmaceutical shareholder lists also include Republican presidential nominee **George W. Bush** and his family with \$62,000 to \$234,000 in drug stocks; his running mate, **Dick Cheney** (\$150,000 to \$350,000), and the wife of **Sen. Joe Lieberman**, the Democratic vice presidential nominee (\$15,000 to \$50,000).

Bush, who is pushing a prescription drug plan that the industry finds more palatable than the Democratic plan, has since put all of his stock into a blind trust. Cheney, who is "on leave" as a director of Procter & Gamble, says he will do the same if elected and also will relinquish rights to 11,000 options for P&G stock. Lieberman's spokeswoman says the 1,000 shares his wife, Hadassah, owned in Pfizer Inc. are hers alone, stemming from her days as a company employee, and Lieberman is strongly advocating Gore's government-run Medicare drug plan.

The presidential candidates' aides also are drawing scrutiny. **Bush's senior health care adviser, Gail Wilensky, made headlines recently because she holds \$10.5 million in shares and stock options in health care companies** - interests that the watchdog group Public Citizen contended could benefit from Bush's approach to Medicare.

Since the 15 percent to 20 percent annual profit gains of the biggest drug makers have outstripped every other sector in recent years, it's no surprise that pharmaceutical stocks show up in political figures' investment portfolios. Some of the companies, such as 3M and Abbott, are widely diversified. **And it violates neither laws nor congressional ethics rules for a member of Congress to own stock in any industry.**

But some public policy experts and congressional watchdogs say that owning drug stocks can even be more problematic than taking the industry's campaign donations.

"Holding shares of such companies ipso facto raises the appearance of a conflict of interest by members of Congress," contended Peter Eisner, managing director of the [Center for Public Integrity](http://www.publicintegrity.org/) (http://www.publicintegrity.org/). "A member of Congress should be above suspicion of conflicts of interest, and drug companies are a prime example of an industry in which members of Congress are courted and lobbied and make decisions that affect the value of the stock."

It would be "prudent" for legislators weighing prescription drug policies to put their money in mutual funds invested in an array of companies "so that they are not making decisions that are going to directly benefit them," said Frank Clemente, executive director of [Public Citizen's Congress Watch](http://www.citizen.org/congress/) (http://www.citizen.org/congress/).

David King, an associate professor of public policy at Harvard University's Kennedy School of Government, said he is less bothered if members of Congress own stocks in drug companies when they have little influence over legislation affecting the industry. But, he said, "a member on the House Commerce Committee or the Senate Finance Committee would be skating on thin ice to hold a lot of drug stocks right now, because they are the ones who will be debating and deciding prescription drug benefits."

King said he would advise members of those committees or the House or Senate judiciary committees either to put their holdings into a blind trust or "dump the stock and hold something else in your portfolio ... because it does create the appearance of impropriety and it may be tempting. You may learn something in the regulatory process that could help you pick and choose stocks. You open yourself up to tremendous punishment from political opponents."

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DR. MERCOLA'S COMMENT: It is enlightening to know what type of political forces continue to perpetuate the traditional drug based medical paradigm.

This is just the latest report in what seems to be an endless flood of articles and journal reports of conflicts of interest that have the potential to adversely effect your health and the health of your loved ones.

There are so many stories lately, I have created a special page dedicated to the topic of conflicts of interest and questionable ethics in medicine.

Also, to see a great in-depth report documenting the influence of drug companies on the US government, [Public Citizen](#) has a news release on this subject at: <http://www.citizen.org/congress/reform/addicting.htm>

The [Center for Public Integrity](#) also has an excellent website where you can see lots of information related to political conflicts of interest of politicians.

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