

LESTER M. CRAWFORD, *Food and Drug Administration*

Dr. Lester M. Crawford served as commissioner of the Food and Drug Administration (“FDA”) from July 18, 2005 until his abrupt resignation in late September 2005.¹ Previously he served as acting commissioner and prior to that deputy commissioner from February 2002 until March 2004.² During Dr. Crawford’s tenure as acting commissioner, reviewers at the U.S. Department of Health and Human Services raised questions about his ownership of stock in certain companies, to which Dr. Crawford responded that the shares had been sold.³ After he resigned as commissioner, it came to light that Dr. Crawford had failed to disclose his personal stock ownership and the sale of stock options in companies that the FDA considers to be “significantly regulated organizations.” Such companies sell products regulated by the FDA that make up 10% or more of the companies’ annual gross sales in their previous fiscal year.⁴

In October 2006, Dr. Crawford was charged with violating conflict of interest laws for participating in matters related to companies in which he had a financial interest while serving as deputy commissioner of the FDA.⁵ Dr. Crawford also was charged with making false representations in his public financial disclosure reports for claiming that he had sold ownership in a significantly regulated company when he still owned the shares and for failing to report income from stock options in excess of \$200.⁶ According to federal prosecutors, “[t]he Defendant’s violations of criminal law are clear. He repeatedly lied about his ownership in forbidden stocks.”⁷ In response, Dr. Crawford denied owning stock in any companies that the FDA regulates.⁸

That same month, however, Dr. Crawford pleaded guilty to making a false writing and

¹ U.S. v. Crawford, Crim No. 05-438-M, Statement of Offenses, ¶¶ 1-2. (D.D.C. Oct. 17, 2007). (Exhibit 1)

² Id., ¶ 1.

³ Stephanie Saul, Ex-FDA Chief is Charged With Conflict, *The New York Times*, October 17, 2006. (Exhibit 2)

⁴ U.S. v. Crawford, Crim No. 05-438-M, Government’s Memorandum in Aid of Sentencing, p. 1 (D.D.C. Jan. 1, 2007) [hereinafter “Sentencing Memo”]. (Exhibit 3)

⁵ U.S. v. Crawford, Crim No. 05-438-M, Information, ¶¶ 22-27 (D.D.C. Oct. 16, 2007). (Exhibit 4)

⁶ Id., ¶¶ 20(a)-(d).

⁷ Sentencing Memo, p. 4.

⁸ Anna Wilde Mathews and Sarah Lueck, Crawford Says his Stocks Have No Link to FDA, *The Wall Street Journal*, September 29, 2005. (Exhibit 5)

failing to disclose stock holdings in companies that the FDA regulates.⁹ Dr. Crawford also pleaded guilty to a conflict of interest charge based on the fact that he chaired a FDA working group on obesity while owning stock in Pepsico and Sysco,¹⁰ both of which would have been affected by the findings of the working group. Dr. Crawford and his wife owned 1,400 shares of Pepsico, worth at least \$62,000, and 2,500 shares of Sysco worth \$78,000.¹¹ Federal prosecutors concluded that under these facts, “the defendant’s criminal conduct was so obvious as to be almost a caricature of a conflict of interest.”¹² In addition, while under consideration for FDA commissioner, Dr. Crawford made false statements under oath to the Senate Health, Education, Labor and Pensions Committee regarding his Embrex stock options and his family’s ownership of stock in the Sysco and Kimberly companies.¹³ Between 2003 and 2004, Dr. Crawford also exercised stock options in Embrex, an agriculture biotechnology firm where he formerly served as a director, that netted more than \$28,000.¹⁴

Dr. Crawford is scheduled to be sentenced on February 27, 2007.¹⁵ Since January 2006, Dr. Crawford has been senior counsel for Policy Direction Inc, a Washington, D.C. government relations firm.¹⁶

⁹ Sentencing Memo, p.1.

¹⁰ U.S. v. Crawford, Information, ¶ 9.

¹¹ Mathews and Lueck, *The Wall Street Journal*, Sept. 29, 2005.

¹² Sentencing Memo, pp. 4-5.

¹³ Id., p. 3.

¹⁴ Saul, *The New York Times*, Oct. 17, 2006.

¹⁵ Andrew Bridges, Ex-FDA Chief’s Sentencing Delayed, *Associated Press*, January 23, 2007. (Exhibit 6)

¹⁶ Gardiner Harris, Ex-Head of FDA Faces Criminal Inquiry, *The New York Times*, April 29, 2006. (Exhibit 7)