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Former F.D.A. Chief Is Charged With Conflict

By [STEPHANIE SAUL](#)

Lester M. Crawford, former chief of the [Food and Drug Administration](#), was charged yesterday with conflict of interest and lying about stock he and his wife owned in companies the agency regulates.

Dr. Crawford, who resigned abruptly in September 2005, just two months after his nomination had been approved by the Senate, is expected to plead guilty in federal court in Washington today, said his lawyer, Barbara Van Gelder.

Each of the two charges filed against Dr. Crawford, 68, is a misdemeanor punishable by up to a year in jail, but Ms. Van Gelder said she expected him to be fined and placed on probation.

“It’s his responsibility,” she said, “and he accepts it.”

Senior employees of the food and drug agency are prohibited from owning shares in companies the agency regulates, and when Dr. Crawford became a deputy commissioner in 2002, the government’s charging document says, ethics officials at the [Department of Health and Human Services](#) told him that he and his wife would have to sell stock in a dozen regulated companies. Those companies included several large pharmaceutical and medical device concerns, among them Johnson & Johnson, Merck, Pfizer, Medtronic and Boston Scientific.

Dr. Crawford and his wife, Catherine, sold their holdings in nine companies, the government says, but retained shares in three others: the food giants Sysco and Pepsico, and Kimberly-Clark, a maker of consumer health care and other products.

In addition, it says, Mrs. Crawford held shares in another regulated company, Wal-Mart, but her husband did not list those holdings in his 2002 financial disclosure.

Prosecutors also say that Dr. Crawford, a veterinarian and pharmacologist, owned options to buy 41,500 shares in Embrex, an F.D.A.-regulated poultry biotechnology company where he formerly served as a director. He exercised some of those options in 2003 and 2004, earning \$8,150 in one transaction and \$20,627 in another. He correctly reported those transaction on his federal tax returns but did not list them in disclosure filings at the time or disclose the remaining, unexecuted options he held in the

company, the charges say.

The government noted that during a period when the Crawfords held shares in Pepsico, a soft drink and snack food company, he was chairman of an F.D.A. [Obesity](#) Working Group that among other tasks was reviewing calorie content labeling for soft drinks. At the time, prosecutors said, the couple held 1,400 shares of Pepsico worth at least \$62,000, as well as 2,500 shares of Sysco, which specializes in supplying food to restaurants and institutions, worth at least \$78,000.

When Dr. Crawford became acting commissioner of the agency in 2004, reviewers at the Department of Health and Human Services, the F.D.A.'s parent, again raised questions about his ownership of Sysco and Kimberly-Clark shares. Responding to that query, he wrote in an e-mail message to an ethics official at the department that "Sysco and Kimberly-Clark have in fact been sold."

"In truth and in fact, as Crawford then knew, Crawford and/or his wife held shares" in both Sysco and Kimberly-Clark "throughout 2003 and 2004," according to the charging document.

Dr. Crawford, now a senior staff member at the Washington lobbying and communications firm Policy Directions, could not be reached for comment. But his lawyer, Ms. Van Gelder, said the fact that the charges were misdemeanors reflected Dr. Crawford's having amended his financial forms after his departure, making a full disclosure.

"One of the things I hope comes out is that he sold the Mercks and the [pharmaceuticals](#)," Ms. Van Gelder said. "The Syscos and Kimberly-Clark, one wouldn't ordinarily think, 'I've got to divest myself.' You wouldn't think Wal-Mart is in the same boat as Merck."

Dr. Crawford's rocky 18-month tenure as acting commissioner and then commissioner was marked by a series of controversies, including the withdrawal of the painkiller Vioxx from the market and an internal battle over whether the agency would approve the emergency contraceptive Plan B for over-the-counter sale.

Though his sudden resignation last fall so soon after his confirmation appeared unusual, he offered no detailed explanation. The office of Daniel R. Levinson, inspector general of Health and Human Services, told Congress, however, that it was investigating the circumstances of the commissioner's departure.

Records obtained through the Freedom of Information Act several weeks later revealed that the department's ethics office had questioned Dr. Crawford's broker in August 2005, the month before he quit.

A spokesman for Sysco said yesterday that the company had not been aware that Dr. Crawford was a shareholder.

"We were totally unaware of it, and we really didn't have any real regulatory matters before the agency

beyond routine matters,” said the spokesman, John M. Palizza.

A spokesman for Pepsico said compliance with government regulations concerning conflict of interest was clearly an individual responsibility. He referred additional questions to Dr. Crawford.

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