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FDA: Lawyer's Charges Against Hamburg 'Incorrect'
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Charges made last week by Consumers for Dental Choice national counsel Charles G. Brown about FDA commissioner Margaret Hamburg's stockholdings in Henry Schein, Inc., a major shipper of dental amalgams, are incorrect, according to a statement from assistant commissioner for public affairs George A. Strait.

In the statement, published in full below, Strait repeated what FDA Webview has previously reported — that Hamburg recused herself from the 8/4 amalgam final rule — and provided new information on her divestiture of all stockholdings in Schein before she became commissioner. This divestiture cost her “hundreds of thousands of dollars,” Strait wrote.

Strait's statement was restricted to Schein stockholdings, and did not address other allegations in Brown's reported message to his network urging political action against the amalgam rule.

Strait's statement to FDA Webview:

The claims you have published regarding the FDA's recent rule on dental amalgams and Dr. Hamburg's connection to it are incorrect.

First, as we have told you before, Dr. Hamburg was not involved in the decision making for the dental amalgam rule and is recused from it.

Second, allegations that Dr. Hamburg had a vested interest in the dental amalgam decision because she would profit from the Schein stock that she held are false. By May 20th (six days before she took office as FDA Commissioner), Dr. Hamburg had divested all her Schein stock and all Schein options which had any market value, and by July 27th she had no interest whatsoever in Schein. In fact, Dr. Hamburg lost hundreds of thousands of dollars on the sale of Schein stock and options.

These are the details. Dr. Hamburg was confirmed by the Senate on May 18th, but did not take office until May 26th. In the days following her confirmation and BEFORE she took office, Dr. Hamburg resigned her position as a Board Director at Schein, sold all of her Schein stock, exercised all the Schein options she owned that had monetary value (so called in the money), and immediately, that same day, sold all of that resultant stock.

At that time, Dr. Hamburg also forfeited unvested restricted Schein stock worth \$262,000. By the close of the markets on May 20th, she did not own any Schein stock. The only Schein interests she had left were non-transferable out-of-the-money Schein options, which according to her statement from Fidelity had zero value.

During July, the market went up and some of those options gained value (came into the money). On July 16th, in order to continue to immediately divest herself of any Schein interests as rapidly as possible, she exercised all of the options that had value and sold the resultant stock for a profit of \$2,593.73. The profit on the sale was less than one percent of what it cost Dr. Hamburg to forfeit the unvested Schein stock when she resigned from the board on May 20th. During that same period she contacted Schein to see if there was some way to get rid of the remaining non-transferable options before they were due to expire in August. On July 27th, Schein canceled the remaining options.

To reiterate, by May 20th Dr. Hamburg had divested all Schein stock and all Schein options which had any market value, and by July 27th, she had no interest whatsoever in Schein. In addition these stock forfeitures and stock option sales and cancellations resulted in a loss to Dr. Hamburg of over \$200,000.