

Riddle joined the Pasadena Police Department on November 12, 1946, becoming the first African American police officer in the history of the Pasadena Police Department.

Although Riddle was assigned to various units within the Pasadena Police Department, his first love was community relations. Prior to the late 1960s, the Pasadena Police Department was without a community relations department. Under the leadership of Police Chief Bob McGowan, Riddle helped establish a community relations department and was subsequently chosen to lead the unit. In this position, Riddle acted as a liaison between the Pasadena Police Department and the African American community. He remained in this position until 1974, when he retired from the Pasadena Police Department and became the Pasadena City College security chief until the early 1980s. In addition to Riddle's community service efforts, he volunteered extensively with the Pasadena NAACP.

Although Mr. Riddle passed away in January of 1990, his life continues to touch the Pasadena community through his shining example and through the career of his daughter-in-law, Lt. Phlunte Riddle, the first African American Sergeant and First African American Lieutenant in the history of the Pasadena Police Department.

Mr. Speaker, I am pleased to participate in Black History Month as well as to pay tribute to Loretta Glickman Hillson, Ruby McKnight Williams and Ralph Riddle. I am extremely proud of the rich history in my district and of the leadership, humanity, and compassion exhibited by Mrs. Hillson, Mrs. Williams and Mr. Riddle. In closing, I would like to wish Loretta and Reverend Hillson the very best. To the family of Ruby McKnight Williams and Ralph Riddle, a grateful community gives thanks that both Ruby's and Ralph's lives touched so many. And to Lt. Phlunte Riddle, I wish you the very best in all your endeavors.

BLACK HISTORY MONTH

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. CANTOR. Mr. Speaker, February is a national celebration of the role of black Americans in all segments of life in the United States. It is a time to celebrate the achievement of blacks in every field from science and the arts to government and politics. February gives us a chance to reflect on how much black Americans have contributed to America and an opportunity to learn from the past in order to look confidently toward the future. Black history in the United States has been a proving ground for America's ideals and this month we celebrate our nation's diversity.

The story of black Americans is one of valor in the face of hardship. Because of the struggles they have endured, we have become better people. Through their sacrifice, we have become a better nation. All Americans must be reminded of their undying dedication to the ideals of freedom and liberty upon which our nation was founded. Their progress throughout American history is a true testament to the reality of the American dream.

Understanding our past allows us to pursue a bright future as a diverse, but united nation. For this reason, I commend the deserved attention February brings to African-Americans who have shaped our history and who will be an integral part of our destiny. I seek the day when the tragic side of the black legacy in America can be laid to rest once and for all and applaud black Americans for their tremendous contributions to the history of our great nation.

CENTRAL NEW JERSEY RECOGNIZES LARRY A. SHEFFIELD FOR HIS SERVICE TO OUR COMMUNITY

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. HOLT. Mr. Speaker, today I recognize Larry Sheffield for his ongoing dedication to serving the diverse needs of Central New Jersey. I join with the Metropolitan Trenton African American Chamber of Commerce in recognizing the achievements Larry has made fighting prejudice as an active member of his community and a positive contributor to our society.

Mr. Sheffield is the President and CEO of Universal Consulting Group, Inc., a management consulting firm specializing in emerging, growth and ethnic markets. Prior to establishing the consulting group, Mr. Sheffield was responsible for managing practices in the New Jersey office of Goodrich and Sherwood.

Throughout his distinguished career, Larry Sheffield has been a tireless advocate for Central New Jersey's diverse communities. Mr. Sheffield is an active member in many local professional and community organizations. Larry's achievements have won him praise from such organizations as the Jaycee's, the Harlem YMCA and the Boys Club of America.

Once again, I applaud the efforts of Larry Sheffield and ask my colleagues to join me in recognizing his steadfast commitment to serving our community.

IN SUPPORT OF THE CHARITABLE GIVING TAX RELIEF ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. CRANE. Mr. Speaker, today I am introducing legislation entitled the "Charitable Giving Relief Act". This is one of three bills I am introducing today to correct certain anomalies in the tax code that discourage charitable giving.

Specifically, this bill will allow nonitemizers to deduct 100 percent of any charitable contributions up to the amount of the standard deduction. Under current law, while nonitemizers receive the standard deduction, only itemizers can take a deduction for their charitable contributions.

Non-itemizers are predominantly low- and middle-income taxpayers who as a group give generously to charitable causes. However, lacking a specific deduction for their charitable contributions, there can be no question that they face a disincentive to making charitable contributions relative to itemizers, who tend to be upper-middle income and upper-income taxpayers. This certainly appears unfair. But, more importantly, it means charitable organizations supported predominantly by lower-income individuals are even more strapped for financial support than they need be. For example, churches serving lower-income communities have fewer resources to address the needs of their congregations as a result of this disincentive.

I introduced similar legislation in the 106th Congress, and 149 Members signed on as cosponsors. I have made two important changes to last year's bill, however. First, taxpayers would now be able to deduct the full amount of their contribution, rather than only half. And, second, to prevent certain individuals from gaming the system I limit the amount a non-itemizer can take to the amount of the standard deduction.

Along with the two other bills I am introducing today preserving the charitable deduction against the itemized deduction phase-down and allowing IRA rollovers to charity, we have an excellent opportunity to advance sound tax policy and sound social policy by returning to our Nation's historical emphasis on private activities and personal involvement in the well-being of our communities. These bills will significantly increase the resources available to our charitable organizations.

Charity benefits both the giver and the receiver in like proportions. The act of giving elevates the heart of the giver. The act of receiving elevates the condition of the recipient. Charity is thus a blessed act that should suffer no discouragement from something so mean as the tax code.

A TRIBUTE TO MR. H. LEE DIXSON

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. LEWIS of California. Mr. President, today I recognize an outstanding civil servant, Mr. H. Lee Dixson, who has served with distinction for the past seven years for the Secretary of the Navy as the Assistant Deputy Commandant for Programs and Resources under the Commandant of the Marine Corps and as the Fiscal Director of the Marine Corps. It is a privilege for me to recognize his many outstanding achievements in this capacity and to commend him for a career spanning more than 35 years of superb service to the Department of the Navy, the Congress, and our great Nation as a whole.

During his tenure as Assistant Deputy Commandant for Programs and Resources and as Fiscal Director, which began in March 1994, Mr. Dixson has provided Members of the Senate Appropriations Committee, as well as our professional and personal staffs with timely and accurate support regarding United States

Marine Corps plans, programs and budget decisions. His valuable contributions have enabled the committee, the Department of the Navy and the Marine Corps to strengthen their close working relationship and to ensure that the most modern, well-trained and well-equipped Marine forces are attained for the defense of our great Nation.

Mr. President, Lee Dixson and his wife, Carolyn, have made many sacrifices during his career, and as they embark on the next great adventure beyond their beloved Marine Corps, I call upon my colleagues to wish him every success and to thank him for his long, distinguished and ever-faithful service to God, country and the Department of the Navy. Semper Fidelis.

BRISTOL-MYERS SQUIBB COMPANY
ABUSE OF AVERAGE WHOLE-
SALE PRICE SYSTEM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 28, 2001

Mr. STARK. Mr. Speaker, I have recently sent the following letter to Bristol Myers Squibb highlighting the extent to which this company has been inflating its drug prices and engaging in other deceptive business practices.

The evidence provided shows that Bristol-Myers Squibb Co. has knowingly and deliberately inflated their representation of the average wholesale price ("AWP") which is utilized by the Medicare and Medicaid programs in establishing drug reimbursements to providers.

In doing so, Bristol-Myers Squibb Co. is abusing the public trust, endangering patients by affecting physician prescribing practices, and exploiting America's seniors and disabled who are forced to pay 20 percent of these inflated drug costs. And American taxpayers are picking up the rest of the tab.

To help bring an end to these harmful, misleading practices, I have called on the FDA to conduct a full investigation into such business practices.

These practices must stop and these companies must return the money to the public that is owed because of their abusive practices.

I submit the following letter to Bristol-Myers Squibb Co. to the CONGRESSIONAL RECORD.

February 22, 2001.

Mr. PETER DOLAN,
President, Bristol-Myers Squibb Co., New York,
NY.

DEAR MR. DOLAN: Ongoing Congressional investigations have uncovered compelling evidence that Bristol-Myers Squibb ("Bristol") has for many years deliberately overstated the prices of some of its prescription drugs in order to cause the Medicare and Medicaid programs to pay inflated amounts to Bristol's customers. Bristol's participation in this scheme is costing American taxpayers billions of dollars in excessive drug costs and is jeopardizing the public's health safety and welfare. Bristol touts itself as "America's Most Admired Pharmaceutical Company" and says it is 11 out of 1,025 companies measured for "social responsibility".

Yet, I think it is outrageous that your company would falsely inflate prices at a time when Medicare and the states' Medicaid Programs battle the crisis of spiraling prescription drug prices.

The price manipulation scheme is executed through Bristol's falsely inflated representations of average wholesale price ("AWP"), direct price ("DP") and wholesaler acquisition cost ("WAC"), which are utilized by Medicare, Medicaid and most private third party payers in establishing drug reimbursements to providers. The difference between the inflated representations of AWP, DP and WAC versus the true prices that providers are paying is regularly referred to in your industry as "the spread".

Bristol has control over the AWP's, DP's and WAC's published for its drugs and directs national publishers to change their prices. An internal Bristol document directing a national publisher of drug prices to increase all of Bristol's AWP's for oncology drugs by multiplying Bristol's supplied direct prices by a 25% factor rather than the previous 20.5% factor. A variance of 16% to 20% between direct drug prices and AWP's represents a range that would more than generously cover inventory costs, normal price variances and any reasonable mark-up on oncology drugs occurring in the wholesale marketplace [Bristol sold the vast majority of its infusion oncology drugs directly to oncologists through its wholly owned OTN subsidiary, and while OTN did not mark up drug prices or at any time own the drugs, it was instead paid a commission directly from Bristol without the occurrence of any significant mark-ups at the wholesale level]. None of the 4.5% price increase was intended to provide more revenues to Bristol or enable wholesalers to charge higher prices to oncologist. There were no significant price markups at the wholesale level. Instead, the increase in the AWP created a spread that, in itself, provided a financial kickback to oncologists for prescribing Bristol's cancer drugs.

Since the additional 4.5% orchestrated by Bristol in 1992, the Medicare Program has needlessly paid more than an estimated \$60 million dollars for just two of Bristol's cancer drugs—this taxpayer abuse does not even account for additional Medicare beneficiary co-payments. To add insult to injury, one of the drugs Taxol (Paclitaxel) was significantly developed with taxpayer funds by the National Institute of Health.

A similar AWP increase by Glaxo drew the following objection from its competitor, Smith Kline Beecham: In an apparent effort to increase reimbursement to physicians and clinics, effective 1/10/95, Glaxo increased AWP for Zofran by 8.5% while simultaneously fully discounting this increase to physicians . . . The net effect of these adjustments is to increase the amount of reimbursement available to physicians from Medicare and other third party payors whose reimbursement is based on AWP. Since the net price paid to Glaxo for the non-hospital sales of the Zofran multi-dose vial is actually lower, it does not appear that the increase in AWP was designed to increase revenue per unit to Glaxo. Absent any other tenable explanation, this adjustment appears to reflect an intent to induce physicians to purchase Zofran based on the opportunity to receive increased reimbursement from Medicare and other third party payors. In fact, we have had numerous verbal reports from the field concerning Glaxo representatives who are now selling Zofran based on the opportunity for physicians to receive a higher re-

imbursement from Medicare and other third-party payors while the cost to the physician of Zofran has not changed.

The evidence clearly shows that Bristol has intentionally reported inflated prices and engaged in other improper business practices in order to cause its customers to receive windfall profits from Medicare and Medicaid when submitting claims for certain drugs. The evidence further reveals that Bristol manipulated prices for the express purpose of expanding sales and increasing market share of certain drugs where the arranging of a financial benefit or inducement would influence the decisions of healthcare providers submitting the Medicare and Medicaid claims. Indeed, Bristol did not falsify published prices in conjunction with other drugs, where sales and market penetration strategies did not include the arranging of such financial "kickbacks" to the healthcare provider.

In the case of the drugs for which Bristol sought to arrange a financial kickback at the expense of the government programs, the manipulated discrepancies between your company's falsely inflated AWP's and DP's versus their true costs are staggering. For example, in the 2000 edition of the Red Book, Bristol reported an AWP of \$1296.64 for one 20mg/ml, 50ml vial of Vepesid (Etoposide) for injection [NDC #00015-3062-20], while Bristol was actually offering to sell the exact same drug to Innovatix members (a large national group purchasing organization) for \$70.00. This represents a spread between Bristol's falsely inflated AWP and the real price of \$1226.64.

In addition to Bristol's unconscionable price manipulation of Vepesid, I am also concerned about Bristol's newer drug Etopophos. As the following excerpts from Bristol's own documents reveal, Bristol's earlier participation in the false price manipulation scheme with respect to Etoposide (Vepesid) interfered with physicians medical decisions to use Etopophos:

"The Etopophos product profile is significantly superior to that of etoposide injection . . ."

"Currently, physician practices can take advantage of the growing disparity between VePesid's [name brand for Etoposid] list price (and, subsequently, the Average Wholesale Price [AWPI]) and the actual acquisition cost when obtaining reimbursement for etoposide purchases. If the acquisition price of Etopophos is close to the list price, the physician's financial incentive for selecting the brand is largely diminished".

Bristol thus acknowledges that financial inducements influence the professional judgment of physicians and other healthcare providers. Bristol's strategy of increasing the sales of its drugs by enriching, with taxpayer dollars, the physicians and others who administer drugs is reprehensible and a blatant abuse of the privileges that Bristol enjoys as a major pharmaceutical manufacturer in the United States.

Physicians should be free to choose drugs based on what is medically best for their patient. Inflated price reports should not be used to financially induce physicians to administer Bristol's drugs. Bristol's conduct, in conjunction with other drug companies, has cost the taxpayers billions of dollars and serves as a corruptive influence on the exercise of independent medical judgment.

Bristol employed a number of other financial inducements to stimulate the sales of its drugs at the expense of the Medicare and Medicaid Programs that were concealed from the Government. Such inducements included