

A Killer Enterprise: How One of Big Pharma's Most Corrupt Companies Plans to Corner the Covid-19 Cure Market

One of the most politically-connected yet scandal ridden vaccine companies in the United States, with troubling ties to the 2001 anthrax attacks and opioid crisis, is set to profit handsomely from the current Coronavirus crisis.



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In August 2001, biopharmaceutical company BioPort faced imminent disaster. A series of company scandals, controversial federal bail-outs and severe, adverse health reactions among U.S. troops were causing both Congress and the Pentagon to reconsider its multi-million dollar contract to provide the military with an anthrax vaccine.

Formed for the sole purpose of acquiring a publicly-owned company in Michigan that held the exclusive license to manufacture the only FDA-approved anthrax vaccine in the United States, BioPort sought to quickly expand the size and scope of its contracts with the U.S. military. This strategy was made possible thanks to the former head of the Joint Chiefs of Staff, Adm. William Crowe, who would prove highly instrumental in the rise of BioPort's vaccine monopoly and its subsequent, aggressive hiring of former government officials as lobbyists.

Yet, soon after scoring these multi-million dollar contracts and securing a monopoly on anthrax vaccines, BioPort would claim that they were flailing financially and would subsequently be bailed out to the tune of \$24 million at the Pentagon's request, which cited "national security concerns" as justification.

However, Pentagon auditors had found that much of the money awarded to BioPort was unaccounted for and the money they were able to trace had failed to go towards renovating their vaccine production facility, which had lost its license until numerous sanitary problems (sanitary and otherwise) were fixed. Meanwhile, scores of soldiers who had suffered ill health effects from BioPort's anthrax vaccine, some disabled for life, began speaking out, bringing BioPort's most critical product and chief source of income under unwanted scrutiny.

While BioPort seemingly faced imminent ruin from these and other scandals in August 2001, the 2001 anthrax attacks that followed a month later came at just the right time for the company, as demand for their anthrax vaccine soon skyrocketed, resulting in new lucrative government contracts. Their license was also quickly renewed thanks to intervention from the Department of Health and Human Services (HHS) despite many of the problems with its production facility persisting.

Though they were conveniently rescued by the unfortunate events of 2001, BioPort would soon lobby for larger contracts than ever before, calling for a massive increase in government purchases of their controversial anthrax vaccine. Riding the fear caused by the 2001 anthrax attacks, they pushed for the government to stockpile anthrax vaccines, not just for the military, but for civilians, postal workers, police and many more who could potentially be put in harm's way were the anthrax attacks to repeat themselves.

One of their biggest proponents of expanding BioPort's contracts was working for HHS at the time — Jerome Hauer, a man who not only had foreknowledge of the anthrax attacks, but had also participated in the Dark Winter simulation that would also predict those same attacks just months prior. Hauer would, months later, be appointed to a newly created position at HHS, one which oversaw the new biodefense stockpile from which BioPort would be a major beneficiary.

BioPort would be then renamed and repackaged as Emergent Biosolutions in 2004. It would then hire even more well-connected lobbyists and add several big names from government and the private sector to its board. One of these "big names" was none other than Jerome Hauer, who was added to Emergent's board soon after leaving HHS. Hauer still remains a company director and sits on three of its corporate governance committees.

Not only did Emergent Biosolutions profit from national anthrax fears, they would also cash in on subsequent pandemic panics and later receive substantial backing from the Bill Gates-backed Coalition for Epidemic Preparedness Innovations (CEPI). They would then turn their attention to the still-raging opioid addiction and overdose crisis by buying rights to the only drug approved for treating opioid overdoses at the scene while also suing any and all generic producers of this crucial, life-saving treatment.

Given its history, it should come as little surprise that Emergent Biosolutions is now set to profit from the Coronavirus (Covid-19) crisis. They are particularly well-suited to make record profits off of Covid-19, as they are backing not one, but two, vaccine candidates as well as an experimental blood plasma treatment already approved for trials in New York state, thanks in part to Jerome Hauer's old boss, New York governor Andrew Cuomo. As noted in [a previous article](#) for *The Last American Vagabond*, the other main companies developing Covid-19 vaccines in the U.S. are strategic partners of the controversial Pentagon research agency DARPA, which has become increasingly aligned with HHS in recent years thanks to another Dark Winter participant, Robert Kadlec.

In this second installment of the series "*Engineering Contagion: Amerithrax, Coronavirus and the Rise of the Biotech-Industrial Complex*," Emergent Biosolution's rise to prominence, made possible through acts of blatant corruption and the public-private revolving door, will be explored. The clear nexus between Big Pharma, Government and University-affiliated "Biosecurity Centers" offers a startling look into the Biotech-Industrial Complex that has long dominated U.S. biodefense policy and is now guiding much of the U.S. government's response to the Coronavirus crisis.

A Bio Threat is Born

For half a century, Vladimir Pasechnik had been a model Soviet citizen, with his scientific prowess in the field of bioweapons earning him an honorary rank of general. However, having been granted such a title didn't seem to inspire much loyalty when he made a call to the British embassy from a phone booth in France in 1989. The famed microbiologist subsequently defected to England, a decision that preceded the fall of the Berlin Wall by a matter of months. Yet, few could have provided a more riveting view behind the Iron Curtain than Pasechnik, who regaled Whitehall with shocking tales of monstrous pathogens engineered as part of the Biopreparat, communist Russia's top secret biological weapons program.

Pasechnik's MI6 handler, Christopher Davis, shared all of the intelligence gathered with his counterparts in the United States, including claims that Biopreparat programs had developed antibiotic-resistant strains of anthrax, tularemia and botulinum toxin. Ancient diseases like the plague had also been modified, according to Davis. When the stories ran out, Pasechnik was given a job at Britain's own biodefense facilities at Porton Down, where he would remain for another decade before branching out and founding his own biotech firm.

The Western geopolitical establishment, however, wasted no time in cementing a new narrative of imminent, worldwide bioweapons threats following the collapse of the Soviet Union. Gorbachev's resignation in 1991 abruptly crashed the Cold War rhetoric market in the West and the massive military-industrial complex that had profited from those tensions remained revved up, yet lacking a boogeyman.

Pasechnik was just one of several Biopreparat alumni who had defected to Western countries, with another well-known example being Ken Alibek (born Kanatjan Alibekov), who defected to the US as opposed to the UK. Many of Alibek's sensational claims and dire warnings regarding the Soviet bioweapons program in the 1990s would later be proven to be imaginative falsehoods. Despite this, Alibek retained influence in the biotechnology industry and Washington, where the ability to sell fear is often a sought-after trait.

Pasechnik, however, wasn't so lucky, dying of a suspected heart attack in November 2001. He was one of 11 of the world's top microbiologists to die under mysterious circumstances from November 2001 to March 2002.

In light of the claims made by Pasechnik, Alibek and others in the 1990s, a relatively small group of well-connected individuals — many of whom would later participate in the June 2001 Dark Winter simulation — asserted that Biopreparat presented an enduring threat, hypothesizing that defectors from the program might not turn to the West, but instead to rival regimes like Saddam Hussein's Iraq.

Anthrax was quickly deemed to be one of the top threats by these bioweapons doomsayers and then, just months after the Soviet Union's collapse, the U.S. Department of Defense issued a competitive bid solicitation for the production of 6.3 million doses of the anthrax vaccine. Its previous contract, only a year before, had called for merely 700,000 doses by comparison.

Sourcing Problems

The Michigan Biologic Products Institute (MBPI) had been founded in 1926 by the State to serve the vaccination needs of its largely rural population, many of whom worked on farms and required inoculation against naturally occurring anthrax spores and rabies. By the 1980s, the Institute stood alone as the only anthrax vaccine manufacturer in the U.S. after 1970s-era regulations had driven most private vaccine manufacturers out of business. MBPI's anthrax vaccine was known as Anthrax Vaccine Adsorbed (AVA) or BioThrax.

Aligning himself with policy recommendations issued by the Mackinac Center for Public Policy — a front for the controversial Koch brothers, Michigan's governor, John Engler, cited the MBPI's endemic financial losses to justify putting the nation's only licensed anthrax vaccine manufacturer up for sale in 1996. However, upon closer examination, the real reason behind the decision had more to do with a sudden spike in demand by the lab's only customer, the US government, and the MBPI's inability to meet it.

The Michigan facility required massive renovations if it was to fulfill the needs of a national security establishment that had come to reconstitute itself around the threat of weapons of mass destruction and biowarfare, a threat largely manufactured by the stories of Soviet defectors. The Pentagon offered to pony up \$1.8 million for the necessary renovations, but there were no takers — at least, none with a US passport.

That same year, perennial US defense contractor, Dyncorp, went into business with a shadowy group of biotech entrepreneurs from across the pond, forming the DynPort Vaccine Company, LLC., a combination of DynCorp's name with that of its UK-based partner, Porton International, Inc. The latter company's president, Zsolt Harsanyi, would also lead DynPort as the British firm began to lay the groundwork for its second attempt at securing a crucial monopoly within the American biotech space.

Germ Monopoly

Porton International had come into existence as a result of the Thatcherite revolution that balkanized British public sector assets and distributed them among private interests that frequently had close and cozy ties with Thatcher-era officials and other UK politicians. Among these assets was the Centre for Applied Microbiology and Research (CAMR), a biotechnology arm of the United Kingdom's infamous Defence Science and Technology Laboratory, commonly referred to as Porton Down, which also happened to house the UK's own anthrax vaccine program.

Porton International began operations in 1982, when London financier, Wensley Haydon-Baillie, founded the company to develop a herpes medication invented by Dr. Gordon Skinner, which had stalled during clinical trials and never actually entered the market. In 1985, Haydon-Baillie secured exclusive rights to commercialize drugs developed by the CAMR, a sweetheart deal from the Thatcher government that drew in large investments from British Telecom and Lloyds Bank, among others, totaling £76 million. Haydon-Baillie profited handsomely from the venture, collecting annual dividends of half a million pounds and selling some of his shares for £24 million in 1986.

In 1989, Porton International acquired Sera-lab and Hazleton Biologics, Inc., providing it with an established distribution network. The following year, the company's bid to outright purchase the 650-employee CAMR lab, would be accepted by British Health Secretary, Kenneth Clark, despite opposition from the staff who had voted against the takeover.

House of Fuad

By the time the sale closed, Haydon-Baillie — once the 50th richest man in England — was on the brink of being forced out of Porton International over accusations of illicit enrichment. Around the same time, the anthrax vaccine was set to enter a bull market and Porton International was now in a prime position to reap the full benefits.

A year earlier in 1989, Ibrahim El-Hibri, a Venezuelan citizen who had made a fortune working for US telecommunications companies, had become a silent partner in Porton International. His son, Fuad El-Hibri, was made director of Porton Products, Ltd, a Porton International subsidiary, which was the conduit by which the El-Hibri family had made a killing selling anthrax vaccines to Saudi Arabia and other Gulf states at \$300 to \$500 a dose. Fuad El-Hibri had previously been an intelligence contractor for Booz Allen Hamilton and an executive at the Wall Street giant, CitiGroup.

The elder El-Hibri had a knack for business that ran back decades to the 1970s when he lived in Qatar, where he befriended the then-head of US Central Command, Admiral William Crowe. The career military man kept in touch with El-Hibri through the years and perhaps even gave him a few business leads at a time when Crowe was also serving on the board of pharmaceutical behemoth, Pfizer. Crowe would later pick up the phone in late 1997 (officially at least, but probably well before) to make a proposition to his old friend.

In 1997, then-US Secretary of Defense William S. Cohen announced a plan to vaccinate every single member of the US Armed Forces against anthrax, which ultimately resulted in the vaccination of approximately 2.4 million troops by 2003. Admiral Crowe, who was serving as the US ambassador to the UK at the time, quickly contacted El-Hibri to discuss the US government anthrax vaccine market in light of this new Pentagon policy.

The only obstacle was getting his son, Fuad El-Hibri, a U.S. passport so that he could run the business stateside. To easily and quickly circumvent this issue, the politically-connected Admiral — with his deep ties to the Pentagon intact — was made a director of BioPort and given 10% of company stock, despite not having put a single penny into the company.

The stage was set to bring Porton International into the exclusive government contract business in the United States as BioPort, Inc. As luck would have it, Porton International's president, Zsolt Harsanyi, had just received a ten-year DoD contract worth roughly \$322 million through DynPort Vaccine Company, LLC, and — thanks to Michigan's governor — the only licensed anthrax vaccine manufacturing plant in the country was back on the auction block.

A Steal and a Scam

In September 1998, BioPort acquired the MBPI facility through a \$25 million package of loans, cash and promises to pay Michigan state more for the company in the future, promises that were later broken. It was later revealed that El-Hibri and other BioPort partners had only placed \$4.5 million of their own money into this package.

As previously mentioned, the MBPI plant in Lansing, MI had come with issues and had been closed for renovations six months prior to its purchase by BioPort. However, the MBPI had received millions from the Pentagon to fix the issues identified by the Food and Drug Administration (FDA) that had affected the vaccine's "stability, potency and purity."

Along with these issues, BioPort had also inherited military contracts worth nearly \$8 million for anthrax vaccines. They quickly secured another contract for the same totaling more than \$45 million, with an additional \$16 million in cash for immediate renovations — a sizable deal likely due to BioPort's aggressive hiring of former Pentagon and federal officials as lobbyists in addition to Crowe's own deep ties to the Pentagon.

Despite the massive influx of cash, BioPort did not spend the money on renovating the plant and its sanitary issues, likely due to the fact that the deal required the Pentagon to buy anthrax vaccines from BioPort even if the plant and the vaccines it had produced lacked a FDA license.

With the Pentagon obligated to buy the vaccine, regardless of whether it was usable, BioPort spent millions renovating its executives' offices, as opposed to the vaccine factory, and millions more on bonuses for "senior management." Pentagon auditors would later find that still millions more had gone "missing" and BioPort's staff were unaware of the cost of producing a single dose of the vaccine.

Despite the clear mismanagement and corruption, BioPort demanded to be bailed out by the Pentagon, requesting even more money to replace what they had lost and squandered. Though Pentagon auditors argued that the company should be abandoned, top military officials cited “national security” and awarded BioPort with an additional \$24.1 million. They also upped the price to be paid for each dose of the anthrax vaccine, which only has a shelf life of 3 years, from \$4.36 to \$10.64.

Congress would hold hearings on the bail-out, hearings that went nowhere. During one of those hearings, then-Rep. Walter Jones (R-NC) would state the following:

“The message seems clear: If a company wants to make millions without providing a product or service, enter into a sole-source contract with the Department of Defense to produce vaccines. BioPort appears to have the government over a barrel.”

Unsurprisingly, this would only be the first of BioPort’s federal bail-outs.

Fortune favors the corrupt

With BioPort well aware of its powerful position early on, it dragged its feet in getting its factory relicensed and up to federal standards. Meanwhile, due to the nature of the contract, the Pentagon kept buying up large amounts of vaccines that were unusable, and arguably unsafe, while also still paying BioPort for storage of the useless product.

During this time, anthrax vaccine doses made prior to these renovations were being used on U.S. troops, with many of those soldiers claiming that the vaccine produced in the troubled facility had given them permanent headaches, joint pain, loss of memory and other, more severe symptoms. Some were even disabled for life. Congress again held hearings, but they were stuffed with BioPort employees posing as “experts” as well as others who supported the Pentagon’s contract with the company.

However, in 2000, the Pentagon did finally lose patience and demanded that BioPort stop making BioThrax. BioPort obliged, but kept receiving government money to keep it afloat. By August 2001, the Lansing facility was still unlicensed and BioPort was still demanding government money to keep it from going out of business. That month, Congress and the Pentagon began to publicly discuss abandoning BioPort. The Pentagon began preparing a report, due to be released in September 2001, that would detail a plan for letting BioPort go.

Fortunately for BioPort but unfortunately for the nation, the events of September 11, 2001 and the subsequent anthrax attacks led to major increases in fear and panic that anthrax attacks could become a

recurrent nightmare for the American public and that radical terror groups and rival nations sought to target, not just American soldiers with anthrax, but also the country's civilians.

The ensuing panic led the Department of Health and Human Services (HHS) to intervene, returning BioPort its license in January 2002 despite persisting safety concerns at its vaccine production facility. BioPort was not content to merely see its past contracts with the Pentagon restored, however, as it began lobbying heavily for new contracts for anthrax vaccines intended for American civilians, postal workers and others. They would get them, largely thanks to HHS' then-counter-terrorism adviser and soon to be HHS' newest Assistant Secretary — Jerome Hauer.

Jerome Hauer's Curious Past

As BioPort secured its control over the only licensed anthrax vaccine producer in the country in 1998, New York's emergency crisis manager and bioterrorism expert, Jerome Hauer, was busy working and making doomsday contingency plans from his "bunker" on the 23rd floor of World Trade Center Building 7.

Put on the job by then-NY Mayor Rudy Giuliani in 1996, Hauer had previously managed worldwide emergency response for technology giant IBM. He also was an adviser to the Justice Department, had briefed President Clinton on bioterror threats and was known to "consult regularly with Scotland Yard and the Israeli military." It was reportedly Hauer's idea to locate the city's emergency management office at Building 7, even though placing it there was considered controversial at the time due to the 1993 World Trade Center bombings, bombings that were later revealed to have disturbing links to the FBI.

In 1999, the New York Times would describe Hauer's job as "sitting around all day thinking up horrifying ways for things to be destroyed and people to die." It would also note that Hauer described his expertise regarding specific emergency situations as follows: "helicopter crash, subway fire, water main break, ice storm, heat wave, blackout, building collapse, building collapse, building collapse." His obsession with building collapses even led him to house "trophies" of the building collapses he had overseen and responded to. How odd then that Hauer's multi-million dollar "bunker" itself would later fall victim to building collapse, falling into its own footprint in 7 seconds on September 11, 2001.

That fateful day, Hauer was no longer with NY's Office of Emergency Management, having left in February 2000. However, in 2001, Hauer still worked at the World Trade center complex, running security for the buildings as managing director of Kroll Inc. Informally known as the "CIA of Wall Street", Kroll was alleged to be an actual front for the CIA by French intelligence agencies, according to the Washington Post. Though it claimed to be mainly involved in corporate security and investigations, it also frequently investigated targets of Washington foreign policy, including Saddam Hussein. Kroll was also the company tapped to "reorganize" Enron in 2002.

Though Hauer should have been at his office at the World Trade Center on the morning of September 11, 2001, he did not show up for work that day and instead made TV media appearances, where he claimed that Osama bin Laden had been responsible for the attacks just hours after the towers collapsed in an interview with Dan Rather.

Yet, not all Kroll employees were as lucky as Hauer. John O’Neil had just begun working for Kroll and was at the World Trade Center that day, dying in the attacks. O’Neil had previously worked with the FBI and was the country’s top expert on Osama bin Laden and his activities. He had resigned in mid-2001 after his investigations into bin Laden were repeatedly blocked by his superiors, something that happened to numerous federal investigators prior to 9/11, and was subsequently offered a job at Kroll by none other than Jerome Hauer himself.

Also on the day of 9/11, Hauer had told top Bush administration officials to start taking the antibiotic Cipro to prevent infection via anthrax and Hauer would subsequently make public hints via mass media that foreign terrorists were working with Saddam Hussein to unleash an anthrax attack on the American public. All of this took place well before the first anthrax attack victim, photojournalist Robert Stevens, would even show symptoms.

Hauer had prepared for a scenario just like the anthrax attacks as part of the Dark Winter biowarfare simulation, which occurred just months prior and at a time when Hauer was a member of the Johns Hopkins Working Group on Civilian BioDefense, part of what is now the Johns Hopkins Center for Health Security, then led by Dark Winter co-author Tara O’Toole. The Dark Winter exercise and its current relevance are discussed in detail in Part I of this series.

Also of note is the fact that, while working for Kroll Inc. Hauer was also working for the Scientific Applications International Corporation (SAIC), a defense and intelligence contractor. There he became a co-worker of Stephen Hatfill, who Hauer had actually met years prior. At SAIC, Hatfill worked on developing protocols for handling “anthrax hoax letters,” a phenomenon present in Dark Winter and later during the actual 2001 anthrax attacks. Hatfill would later be accused of having committed those very attacks, but was later cleared of suspicion, winning a hefty multi-million dollar settlement from the government.

In addition to his work for SAIC and Kroll as the events of September 11, 2001 transpired, Hauer was also a national security adviser to then-head of the Department of Health and Human Services (HHS), Tommy Thompson. Hauer closely advised Thompson during the 2001 anthrax attacks and after, helping to shape HHS response and subsequent biodefense policy, which focused heavily on BioPort’s anthrax vaccine.

Hauer and HHS

As the anthrax attacks unfolded, Hauer advised Secretary Thompson to establish a new office at HHS, the Office of Public Health Preparedness (OPHP), whose first acting director was Dr. D.A. Henderson, a former official with the World Health Organization and the original founder of the Johns Hopkins Working Group on Civilian Biodefense, which had sponsored Dark Winter and included Jerome Hauer as well as Dark Winter co-authors Tara O’Toole and Thomas Inglesby. In early 2002, Hauer himself would replace Henderson as head of the newly created OPHP.

In May 2002, Hauer — while leading OPHP — co-authored a report with members of the Johns Hopkins Working Group, including O’Toole and Inglesby. In that paper, published in the prestigious *Journal of the American Medical Association* (JAMA), Hauer, O’Toole, Inglesby and their co-authors argued that greater production and purchase of anthrax vaccine was necessary in light of the 2001 anthrax attacks

and that government funding was also needed to research a new anthrax vaccine. They also asserted that the vaccine did not cause any significant adverse effects.

Notably, just months prior, O'Toole and Inglesby had come under scrutiny in their attempts to link the anthrax attacks to Al Qaeda, several months after that possibility had been ruled out completely by federal investigators and other independent scientists.

The paper authored by the Johns Hopkins Working Group would also come under scrutiny, particularly their recommendation that the government acquire more BioThrax. This was largely because the evidence from the attacks showed that antibiotics were much more effective and less expensive in responding to anthrax attacks, with subsequent studies claiming that calls for stockpiling more BioThrax “defy medical evidence and expert recommendations” based on lessons learned during the anthrax attacks.

Then, in June 2002, the Public Health Security and Bioterrorism Preparedness and Response Act was signed into law by President Bush, creating the post of Assistant Secretary for Public Health Emergency Preparedness, which was quickly filled by Hauer and gave him near-complete power over HHS' biodefense policy and all HHS matters related to “national security.”

In July 2002, Hauer and his deputy William Raub helped push the Pentagon to restart vaccinating the troops, despite long-standing concerns over the vaccine's safety. Per the new immunization program, the number of troops being vaccinated would “jump,” according to officials. However, the size of that increase was never made public. In addition, half of the Pentagon's BioThrax purchases would be stockpiled for civilian use.

Though Hauer, O'Toole, Inglesby, the Pentagon and, of course, BioPort, continued to assert that BioThrax was safe for human use, the Government Accountability Office (GAO) would release its findings just months later that showed that the vaccine “caused adverse reactions in most recipients [85%] and helped prompt many Air Force Reserve and Air National Guard members to transfer to other units or leave the military between 1998 and 2000.” The Pentagon and HHS rejected the GAO's conclusions.

Despite rejections from the Pentagon and HHS, the number of veterans suffering ill effects from BioThrax continued to mount. Even mainstream sources began to report on claims linking BioThrax to over 20 deaths and over 4,000 illnesses, 347 of which were deemed to be “serious.”

As a result, in March 2003, six military service-members and Defense Department civilian contractors sued the Pentagon, HHS and the FDA over the mandatory BioThrax vaccination policy, claiming that the way the vaccine had been administered in the 1990s and in the early 2000s was experimental.

This claim was based on the fact the FDA had not approved BioThrax for use against aerosol exposure to anthrax (i.e. anthrax inhalation). However, the Pentagon was using BioThrax to ostensibly protect soldiers from exposure to aerosol anthrax, which is the form of anthrax that would be encountered by soldiers in a bioweapon or bioterrorist scenario. Thus, the Pentagon was injecting soldiers with BioThrax for a use for which it was not federally approved, rendering its use experimental. Given that the federal mandating of experimental vaccines is illegal, a federal judge ruled that the Pentagon's mandatory Biothrax vaccination program was illegal in October 2004.

The ruling was a blow to BioPort, which had reorganized that year and took on the name Emergent Biosolutions. However, BioPort/Emergent Biosolutions would find relief in 2006, when the Pentagon decided to resume mandatory anthrax immunizations among U.S. servicemen soon after the FDA decided to approve BioThrax as a treatment for anthrax inhalation.

Biosolution's BioShield

Just months before the Pentagon's BioThrax vaccine program was deemed illegal, Congress passed the Project BioShield Act, an act that was largely written by Emergent Biosolution lobbyists and greatly influenced by Robert Kadlec, who was then serving as the Homeland Security Council's Director of Biodefense. The goal of the act was to allocate \$5 billion to be used to purchase vaccines, including millions of doses of anthrax vaccine, and stockpile them in the event of a future bioterrorist attack. Given that these vaccines have a limited shelf life (three to four years in BioThrax's case), the stockpile would continually need to be renewed as its contents gradually expired.

Not long after BioShield was signed into law, Emergent Biosolutions co-founded a lobby group called the Alliance for Biosecurity as part of its strategy to easily secure lucrative BioShield contracts. That lobby group saw Emergent Biosolutions join forces with the University of Pittsburgh's Center for Biosecurity, which was created in 2003 and populated with former members of the Johns Hopkins Institute for Civilian Biodefense Strategies. At the time, the University of Pittsburgh's Center was led by Tara O'Toole.

Though Emergent Biosolutions had contacts with the key organizations and people in the biodefense-industrial complex, the Bush administration and the military, BioShield initially didn't go as planned for the company. Instead of pumping even more money into the controversial BioThrax, HHS decided to invest in a new anthrax vaccine that involved fewer doses and fewer adverse side effects, and thus less controversy.

In November 2004, HHS through BioShield awarded VaxGen Inc. a \$877.5 million contract to produce a recombinant anthrax vaccine and was the first contract made via BioShield. In great contrast to Emergent's past BioThrax contracts with the government, the VaxGen contract did not provide the company with government money until the vaccine was approved and subsequently delivered.

The VaxGen contract greatly concerned BioPort/Emergent Biosolutions for obvious reasons. In order to avoid losing their vaccine monopoly, they invested heavily in lobbying and spent \$5.29 million on lobbyists from 2004 to 2007. By comparison, over that same period, VaxGen spent \$720,000 on lobbyists.

One of those lobbyists was Jerome Hauer, who was also added to Emergent's board shortly after leaving HHS. Despite Hauer having supported a new anthrax vaccine other than BioThrax while he had worked at HHS, Hauer suddenly began to insist that BioThrax was the solution. He also demanded that his replacement at HHS, Stewart Simonson, who was ultimately responsible for VaxGen's BioShield contract, be stripped of his authority. Other lobbyists hired by Emergent at the time included two former aides to then-Vice President Dick Cheney and former aides to influential members of Congress.

The hiring of Hauer and others well-connected to the Bush administration and Congress was just part of Emergent's aggressive lobbying against the VaxGen contract, as the company also employed mafia-esque tactics, telling lawmakers and government officials that U.S. civilians "were at risk of death without an immediately expanded stockpile of [BioThrax] anthrax vaccine" and threatening to "stop making the vaccine if the government chose not to buy its product for the stockpile."

The war between Emergent Biosolutions and VaxGen spread to Congressional hearings, where Congressmen who had received thousands from Emergent's then-CEO attacked the VaxGen BioShield contract, with one calling it "highly suspect" and angrily demanding that HHS explain why it had not purchased more BioThrax. It also spread to the press, where Emergent lobbyists wrote Op-Eds in influential newspapers.

Emergent even found unlikely supporters in "progressive" journalists like Jeremy Scahill, who wrote an article for *The Nation* in which he praised Jerome Hauer, framing him as a champion of public health preparedness who was at odds with Bush-era neocons (despite his membership in organizations stuffed with those same neocons). Scahill also strongly criticized Hauer's successor Stewart Simonson and the VaxGen contract.

Scahill did not mention in his report that Hauer was then working as a lobbyist for Emergent Biosolutions or was a member of its board, despite interviewing him for the piece. Scahill didn't even mention Emergent Biosolutions (or its previous name BioPort) once in the entire article, despite it being VaxGen's main competitor.

Finally, in 2006, HHS terminated VaxGen's contract after the company hit a developmental snag with its vaccine, declining to offer them the type of lifelines that Emergent Biosolutions had received on numerous occasions under its previous name BioPort.

After VaxGen's contract with HHS was crushed, Emergent Biosolution's anthrax vaccine monopoly remained intact, at least for a time. However, PharmAthene, another biotechnology company that had co-formed the Alliance for Biosecurity lobby group with Emergent, soon announced its plans to develop its own recombinant anthrax vaccine. This prompted Emergent to end up buying the essentially bankrupt VaxGen and acquiring the very VaxGen anthrax vaccine it had spent millions of dollars over several years to discredit.

A few years later, Emergent's competitors made inroads with the Pentagon, with the military offering contracts for the anthrax vaccine developed by PharmAthene and another manufactured by PaxVax. Emergent aggressively challenged its competitors or bought them out in order to retain its monopoly, while also developing three new anthrax vaccines (one of which was the VaxGen vaccine) to satisfy government demand for a new anthrax vaccine. Only one, dubbed NuThrax, ever made any progress.

NuThrax, a combination of BioThrax and an adjuvant, would be yet another gold mine for Emergent Biosolutions. The company received \$127 million from HHS' Biomedical Advanced Research and Development Authority (BARDA) and the National Institute of Allergy and Infectious Diseases (NIAID) for early development. Meanwhile, they began to dramatically scale up their production of BioThrax with even more grants from BARDA. Then, in 2016, it received an additional \$198 million from HHS for further development of NuThrax as well as a government promise to purchase up to 50 million doses for the national biodefense stockpile. That promise was made as part of a contract valued at up to \$1.6 billion and was also made before NuThrax received approval by the FDA. To date, NuThrax still remains unapproved by the FDA.

The A Team

It is worth noting that Hauer was not the only key government official that had aided BioPort and was later awarded with a position on its board of directors. A few years after Hauer became a board member of Emergent Biosolutions, the company added Dr. Sue Bailey to its board in 2007. Bailey had previously served as the Pentagon's former top medical official during the late 1990s and played a key role in keeping the military's anthrax vaccine program from being derailed from persistent concerns from veterans about its safety and adverse side effects.

Back in 1999, when Congress had held its hearings into the anthrax vaccine's safety following concerns raised by affected veterans, Bailey was part of a panel of experts, which had included BioPort's Admiral William Crowe. In her prepared statement, Bailey began by underscoring the urgency of the bioterrorist threat, claiming that "at least ten nation states and two terrorist groups" possessed biowarfare capabilities and citing a 1958 study by Johns Hopkins University as proof that anthrax vaccinations were safe. She concluded by reassuring members of Congress that they had a "safe and effective vaccine to respond to a well-documented threat." Neither of these statements would turn out to be true.

Another expert Dr. Katherine Zoon, who was then director of the FDA's Center for Biologics Evaluation, concurred with Dr. Bailey's assessment regarding the safety of the anthrax vaccine in her statement. Zoon, who would subsequently hold key posts at the National Institute of Allergy and Infectious Diseases (NIAID) and at the National Institutes of Health (NIH), was also added to Emergent's board of directors.

The statements that had been made by Zoon and Bailey at that hearing were a significant divergence from the FDA's own appraisal on the long-term safety of the vaccine, according to testimony by Kwai-Cheung Chan of the General Accounting Office (GAO). Chan practically invalidated both Bailey's and Zoon's testimony by revealing that the studies they had cited were carried out on a completely different anthrax vaccine that was produced by Merck, not Emergent Biosolutions, among other details. Chan's testimony made it clear that BioThrax had no safety track record at all. Not unlike Hauer, Emergent later rewarded Bailey and Zoon for their loyalty to the private sector as opposed to public health with board positions and lucrative stock options.

“Never let a good crisis go to waste”

Though Emergent Biosolutions has enjoyed its privileged status regarding the anthrax vaccine for over two decades, it has long since branched out and profited from a variety of pandemic scares, including Ebola and Zika, and public health crises both globally and domestically. They have also acquired other vaccine monopolies, including the U.S.' only licensed smallpox vaccine through their purchase of Sanofi, which came with a \$425 million government contract and the promise of subsequent multi-year renewals on that contract for the ever-increasing national biodefense stockpiles.

Another drug monopoly acquired by Emergent Biosolutions has allowed them to profit handsomely off of the U.S.' devastating opioid epidemic. In 2018, a year when the opioid crisis claimed the lives of nearly 70,000 Americans and was considered the top health crisis facing the nation, Emergent acquired the producer of Narcan, the only FDA-approved nasal spray of naloxone, which is used to treat opioid

overdoses at the scene. At the time of acquisition, Emergent Biosolutions executive Daniel J. Abdun-Nabi referred to U.S. high schools and colleges as lucrative, “untapped markets” for Narcan.

Two months after Emergent completed its acquisition of the Narcan monopoly, HHS began recommending that doctors co-prescribe the drug alongside opioid painkillers. However, HHS offered no measures aimed at preventing the over-prescription of opioid painkillers like fentanyl and has remained silent regarding efforts to make opioid painkillers a controlled, schedule 1 substance. After the HHS recommendation regarding Narcan, several states subsequently passed laws requiring doctors to co-prescribe the nasal spray. Emergent’s sale of Narcan, which now costs \$150 per dose, predictably spiked.

Regarding its Narcan monopoly, Emergent has long claimed that they are working to keep the drug affordable and they have even donated Narcan to public libraries and YMCAs as part of a major public relations push. However, Emergent’s same-old aggressive tactics still apply to Narcan, as they have sued any competitors aiming to market a cheaper, generic version of the drug. In addition, government promotion of Narcan as opposed to other, longer-term solutions to opioid addiction, have come under scrutiny, with some arguing that Narcan actually enables opioid addiction and may actually be worsening the crisis.

Cornering the Covid-19 market

Emergent’s history of corruption and profiteering has in no way prevented them from cashing in on the Covid-19 global health crisis. On March 10, Emergent announced a partnership with Novavax to produce a Covid-19 vaccine, a vaccine also backed by the Bill Gates-backed Coalition for Epidemic Preparedness Innovations (CEPI). CEPI had previously partnered with Emergent Biosolutions, giving them over \$60 million in 2018. Emergent further expanded its partnership with NovaVax on March 31.

Just 8 days after partnering with Novavax, Emergent partnered with yet another producer of a Covid-19 vaccine candidate, VaxArt. Unlike the Emergent-Novavax vaccine, the vaccine candidate co-produced with VaxArt will be oral and in pill form, “offer[ing] enormous logistical advantages in the roll-out of a large vaccination campaign,” according to VaxArt CEO Wouter Latoud.

While backing two of the most prominent vaccine candidates for Covid-19 gives Emergent an advantage in terms of profiting from whatever vaccines end up being approved for use by the government, Emergent’s star has risen during the current Coronavirus crisis largely thanks to its two experimental blood plasma treatments.

Announced just one day after their Novavax vaccine partnership, Emergent’s first experimental blood plasma treatment involves pooling and concentrating blood plasma from recovered Covid-19 patients, while the second uses plasma taken from horses that have been injected with parts of the virus. These treatments were slated to begin clinical trials later this year, but have been greatly aided by HHS’ BARDA, which falls under the authority of Robert Kadlec. These treatments are now expected to begin Phase II trials by late summer.

On April 3, BARDA awarded Emergent Biosolutions \$14.5 million for the development of its blood plasma treatment. Though the sum is smaller than other contracts Emergent has received from BARDA in

the past, the partnership allows Emergent to overcome its greatest obstacle in developing this product, a massive supply of blood plasma from recovered Covid-19 patients. Thanks to their partnership with BARDA, Emergent will gain access to blood donations made by recovered Covid-19 to public blood centers.

Emergent’s Dr. Lisa Saward confirmed this in a recent interview with *TechCrunch*, stating “we are overcoming [the lack of “source material” i.e. blood plasma] with the help of partnerships like that of the Biomedical Advanced Research and Development Authority within Health and Human Services, and the National Institute of Allergy and Infectious Diseases announced earlier this week.”

However, Emergent’s use of donated plasma to develop its product may prove controversial, since the plasma donated by recovered Covid-19 patients is currently being used as a treatment for seriously ill Covid-19 patients. The use of plasma to treat critical patients began late last month after New York’s state government first authorized its use in such cases, followed by the FDA’s offer to approve its use for critical Covid-19 patients nationwide on a case-by-case basis. Yet, thanks to the BARDA and Emergent partnership, a significant amount of that plasma will instead go towards helping Emergent corner yet another key market.

anthrax bioport coronavirus corruption dark winter jerome hauer vaccine



Author

Whitney Webb

Whitney Webb has been a professional writer, researcher and journalist since 2016. She has written for several websites and, from 2017 to 2020, was a staff writer and senior investigative reporter for Mint Press News. She currently writes for The Last American Vagabond.

35 comments



Mark Thomas says:
April 11, 2020 at 5:46 pm

I think your first podcast guest should be David Crowe from theinfectiousmyth podcast.

david.crowe@cnp-wireless.com

Reply



Bruce says:

April 17, 2020 at 1:05 pm

Pretty nice post. I just stumbled upon your blog and wished to say that I have truly enjoyed browsing your blog posts. After all I will be subscribing to your feed and I hope you write again very soon!

Reply



Ross says:

April 17, 2020 at 1:08 pm

I'm not certain the place you're getting your information, however great topic. I must spend a while finding out much more or figuring out more.

Thank you for great info I was on the lookout for this info for my mission.

Reply



Raina says:

April 17, 2020 at 1:15 pm

Hey I know this is off topic but I was wondering if you knew of any widgets I could add to my blog that automatically tweet my newest twitter updates. I've been looking for a plug-in like this for quite some time and was hoping maybe you would have some experience with something like this. Please let me know if you run into anything. I truly enjoy reading your blog and I look forward to your new updates.

Reply



Kathrin says:

April 17, 2020 at 1:20 pm

You need to be a part of a contest for one of the most useful sites online. I'm going to highly recommend this site!

Reply



Earle says:

April 19, 2020 at 7:12 am

Hi there, just became aware of your blog through Google, and found that it's really informative. I am gonna watch out for brussels. I will appreciate if you continue this in future. Numerous people will be benefited from your writing.

Cheers!

Reply



Maira says:

April 19, 2020 at 8:08 am

I am in fact thankful to the holder of this web site who has shared this fantastic paragraph at at this time.
Reply



Leah says:

April 19, 2020 at 8:56 am

I blog frequently and I truly appreciate your content. This article has truly peaked my interest. I am going to book mark your blog and keep checking for new details about once per week.

I subscribed to your Feed too.

Reply



<http://4bestbuy-billiardssales-sport.blogspot.com> says:

April 20, 2020 at 11:15 pm

I think the admin of this web site is actually working hard for his web page, for the reason that here every information is quality based data.

Reply



<http://toursandtravele00.blogspot.com> says:

April 21, 2020 at 11:12 am

Hello! This is my 1st comment here so I just wanted to give a quick shout out and tell you I genuinely enjoy reading your blog posts.

Can you recommend any other blogs/websites/forums that cover the same topics? Thank you so much!

Reply



Delmar says:

April 21, 2020 at 11:31 am

When someone writes an paragraph he/she maintains the plan of a user in his/her brain that how a user can understand it.

So that's why this piece of writing is outstanding. Thanks!

Reply



Ronnie says:

April 21, 2020 at 4:22 pm

You're the best Whitney! Thank you for all the work you put in to bring the hard truth to the public! I'm very glad to see you've got your own site now.

Reply



James Greenawalt MD says:

April 22, 2020 at 2:34 am

Reading this article broke my heart. More than 15 years ago I invested a large sum of money in Novavax because they were working on a better flu vaccine and a RSV vaccine. I thought I could use my equity to improve the health of the world and make a return on my investment. The company had been run by apparently decent people. Their P3 study with RSV vaccine was not as successful had all had hoped and the stock nose dived. Then they pivoted to the Wuhan virus (SARS CoV2) vaccine and are now collaborating with Emergent BioSolutions. I didn't think much of the announcement until I read your article tonight. I have sent a letter to the Board of Novavax asking for an explanation.

Reply



James Greenawalt MD says:

April 22, 2020 at 2:38 am

Reading this article broke my heart. More than 15 years ago I invested a large sum of money in Novavax because they were working on a better flu vaccine and a RSV vaccine. I thought I could use my equity to improve the health of the world and make a return on my investment. The company had been run by apparently decent people. Their P3 study with RSV vaccine was not as successful had all had hoped and the stock nose dived. Then they pivoted to the Wuhan virus (SARS CoV2) vaccine and are now collaborating with Emergent BioSolutions. I didn't think much of the announcement until I read your article tonight. I have sent a letter to the Board of Novavax asking for an explanation.

Reply



James Greenawalt MD says:

April 22, 2020 at 2:39 am

Reading this article broke my heart. More than 15 years ago I invested a large sum of money in Novavax because they were working on a better flu vaccine and a RSV vaccine. I thought I could use my equity to improve the health of the world and make a return on my investment. The company had been run by apparently decent people. Their P3 study with RSV vaccine was not as successful had all had hoped and the stock nose dived. Then they pivoted to the Wuhan virus (SARS CoV2) vaccine and are now collaborating with Emergent BioSolutions. I didn't think much of the announcement until I read your article tonight. I have sent a letter to the Board of Novavax asking for an explanation. On my first comment, I left the incorrect email address.

Reply



test says:

April 26, 2020 at 7:40 pm

Have you ever thought about publishing an ebook or guest authoring on other blogs? I have a blog centered on the same subjects you discuss and would love to have you share some stories/information.

I know my subscribers would enjoy your work. If you are even remotely interested, feel free to send me an email.

Reply



test says:

April 26, 2020 at 7:59 pm

At this time it looks like Drupal is the preferred blogging platform available right now. (from what I've read) Is that what you're using on your blog?
Reply



test says:

April 26, 2020 at 8:15 pm

I was curious if you ever considered changing the page layout of your site? Its very well written; I love what youve got to say. But maybe you could a little more in the way of content so people could connect with it better. Youve got an awful lot of text for only having 1 or two pictures. Maybe you could space it out better?
Reply



Ivonne Zukerman says:

May 4, 2020 at 9:03 pm

I've been looking for this kind of article is great and let me help someone, how i end anxiety and panic attacks here: <https://bit.ly/2KYwZ5H>
Reply



선시티게임 says:

May 5, 2020 at 7:31 am

Good day! I simply want to offer you a big thumbs up for your excellent information you have got here on this post. I am returning to your site for more soon.
Reply



hot dick says:

May 9, 2020 at 7:47 am

Hi there, of course this paragraph is truly fastidious and I have learned lot of things from it regarding blogging.
thanks.
Reply



sex education says:

May 12, 2020 at 2:53 am

After I initially commented I seem to have clicked the -Notify me when new comments are added- checkbox and from now on each time a comment is added I receive four emails

with the same comment. There has to be an easy method you are able to remove me from that service?
Thanks a lot!
Reply



entrepreneur says:
May 12, 2020 at 9:34 pm

of course like your web-site however you need to take a look at the spelling on quite a few of your posts.

Several of them are rife with spelling issues and I to find it very troublesome to inform the truth on the other hand I will definitely come again again.
Reply



lk21 xxi says:
May 17, 2020 at 7:27 am

Hi there, just became alert to your blog through Google, and found that it is truly informative. I'm going to watch out for brussels. I'll be grateful if you continue this in future. A lot of people will be benefited from your writing. Cheers!
Reply



bokep pelajar smp says:
May 18, 2020 at 5:46 pm

Hello There. I found your blog using msn. This is an extremely well written article.

I will make sure to bookmark it and return to read more of your useful info. Thanks for the post. I'll certainly return.
Reply



บั้มไลค์ says:
May 28, 2020 at 11:14 pm

Like!! Thank you for publishing this awesome article.

Reply



g says:
June 15, 2020 at 12:10 pm

Highly descriptive blog, I loved that bit. Will there be a part 2?

Reply



g says:

June 16, 2020 at 2:19 am

Very rapidly this site will be famous amid all blog visitors,
due to it's fastidious posts
Reply



g says:

June 17, 2020 at 12:03 am

Excellent site you've got here.. It's difficult to find excellent writing like yours nowadays.
I truly appreciate people like you! Take care!!
Reply



g says:

June 17, 2020 at 6:29 pm

Howdy fantastic blog! Does running a blog like this require a large amount of work?

I have very little expertise in coding but I was hoping to start
my own blog in the near future. Anyway, if you have any suggestions or tips
for new blog owners please share. I know this is off subject nevertheless I just
wanted to ask. Thanks!
Reply



Brian James says:

November 17, 2020 at 7:59 pm

Oct 27, 2020 Bill Gates Slams 'Pseudo-Expert' Dr. Scott Atlas

Billionaire software developer Bill Gates is furious that President Trump is now listening to the moderate
approach to Covid presented by Dr. Scott Atlas and is increasingly at odds with Anthony "mandatory mask"
Fauci.

<https://youtu.be/2tQINyKIp1M>

Reply



เว็บบ้าน says:

April 20, 2021 at 4:18 pm

It's normal to keep hurdles **เว็บบ้าน** coming in and out, but we have to do whatever it takes to get
over it.
Reply

ทางเข้า gclub says:

May 6, 2021 at 3:20 pm



Because of aging Everything that is ทางเข้า gclub selected must be sure to be the best for us.
Reply



สมัคร gclub says:
May 6, 2021 at 3:28 pm

No success Not to take the effort and time สมัคร gclub Everything takes time.

Reply