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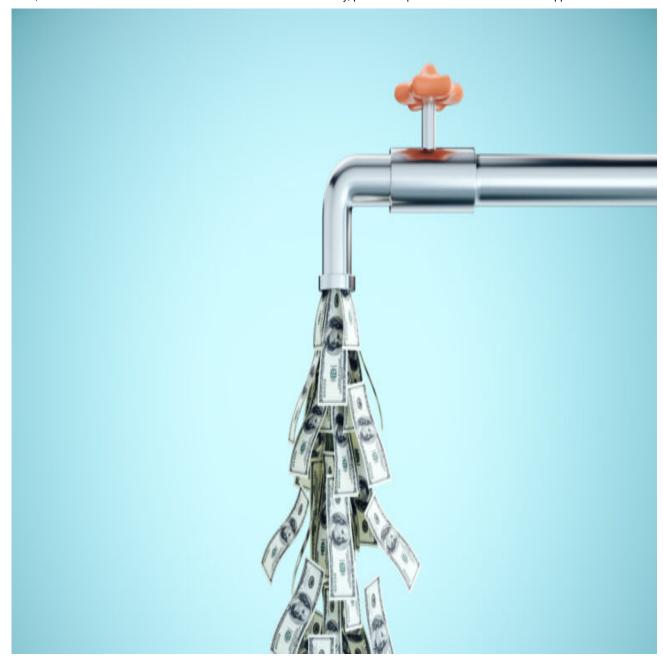
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Amid concerns over U.S. democracy, pharma helped finance committees that support election deniers



By Ed Silverman² Nov. 7, 2022



Adobe

As Americans head to the polls, some candidates continue to deny the results of the 2020 presidential election – and several of the largest players in the pharmaceutical industry have contributed to their campaigns.

Over the past year, the Pharmaceutical Research and Manufacturers of America, the industry trade group, donated more than \$1.2 million to organizations which then funneled money toward Republicans who are running for various state offices and have denied the 2020 election results.

Pfizer spent \$600,000, GSK contributed more than \$280,000, Eli Lilly gave \$265,000, and Novartis contributed \$235,00, while Astellas Pharma spent \$195,000, Johnson & Johnson provided \$175,000 and Merck sent \$125,000.

Specifically, the contributions were made to the Republican State Leadership Committee, the Republican Attorneys General Association, and the Republican Governors Association, according to the Center for Political Accountability, a nonprofit group that studies corporate donations.

These organizations are known as 527 committees because — under section 527 of the Internal Revenue Code — they can raise money for political activities but are exempt from federal income taxes. Typically, these groups pool contributions that are then distributed to state and local political action committees and candidates, although in some cases, money was sent directly to some candidates or their own political action committees.

The Republican Attorneys General Association, for instance, donated \$300,000 that found its way to Ashley Moody, who is running for reelection as attorney general in Florida and, in 2020, joined with other states in asking the U.S. Supreme Court to consider a lawsuit that sought to invalidate presidential election results in four states. The organization also sent \$1.3 million — mostly for media ads — to support Abraham Hamadeh, who questioned the 2020 race in his bid to become attorney general in Arizona.

Also in Arizona, the Republican Governors Association funneled \$5.5 million that was used in ads to oppose Katie Hobbs, a Democrat running for governor against Republican Kari Lake. Lake has claimed, without evidence, that the 2020 presidential election was stolen. So far this year, the RGA sent \$15.75 million that was used to boost Florida Governor Ron

DeSantis, who is running for re-election. He has not openly denied the 2020 results, but has campaigned for candidates who have, such as Lake.

In Michigan, five different candidates running for state legislature — Andrew Fink, Matt Hall, Bryan Posthumus, Jack O'Malley, and Ken Borton — each received \$10,500 that originated with the Republican State Leadership Committee. And the same group provided \$10,000 that was eventually distributed to Diego Morales, who was once an aide to former U.S. Vice President Mike Pence and is now running for Secretary of State in Indiana.

This is not an exhaustive list. The Center for Political Accountability focused on high-profile election deniers, such as those involved in national litigation over the outcome of the 2020 presidential campaign or who have received widespread media coverage for their positions. The nonprofit also examined donations to candidates who denied the 2020 results and are running for office in competitive states. But 527 committees are big spenders in dozens of additional state races around the country.

The contributions were made as Americans grapple with the fallout from the Jan. 6 riot on Capitol Hill over claims made by former President Trump and his supporters that the outcome of the 2020 election was rigged. The episode has generated enormous concern about the extent to which the American public will continue to respect and uphold the integrity of the democratic system.

For this reason, the contributions may raise questions about whether such marquee names in the pharmaceutical industry should be associated with candidates who are contributing to the steady erosion of political discourse and, in turn, potentially undermining democratic norms in the U.S., according to Bruce Freed, who heads the Center for Political Accountability.

In the process, the pharmaceutical companies — which also actively support the industry trade group through fees and direct involvement in setting policies — can incur certain risks, he explained. Internally, employee morale may suffer by supporting divisive candidates. And externally, the companies may jeopardize their reputations among consumers and investors.

"Companies have a stake in democracy. These are not normal times and the electorate is very concerned about what companies are enabling and associating with their contributions," said Freed. "Even a small contribution can be associated with outcomes or positions they can find embarrassing or harmful."

In his view, companies need a level playing field to compete, but with election deniers in office, a level playing field may not exist. As a result, office holders could threaten anybody who takes an opposing position with enforcement actions, denying contracts, favoritism. "Companies do well when you have an open, democratic framework and today, that framework is open to serious threat."

Of course, companies have long faced such concerns depending on the political party that is in power in a given jurisdiction. This is why companies and their trade groups have regularly donated to both political parties at state and federal levels, a strategy that functions as something of an insurance policy to ensure legislation and regulations are to their liking. It is also true that — donation or no donation— predicting which issues may arise and how an individual lawmaker may react can be difficult, at best.

For instance, the industry trade group also forwarded more than \$600,000 to the 527 organizations that support Democrats. Similarly, Pfizer sent \$470,000 to these organizations, while Novartis spent \$205,000, Merck

provided \$141,000, Lilly gave \$100,000, J&J sent \$75,000 and GSK contributed \$50,000, according to data compiled by the Center for Political Accountability.

Toward that end, spokespeople for Pfizer, Lilly, Astellas and Merck argued that contributions are made with an eye toward fulfilling key policy goals and that donations should not be misconstrued as endorsements of any particular positions on other issues. However, the companies and the industry trade group did not directly address the concerns raised by the use of funds to support election deniers, although Novartis did say it supports a "peaceful transition" following elections.

A PhRMA spokeswoman wrote to say that "we engage with policymakers from both sides of the aisle who hold different policy opinions and priorities. As we've said before, we may not agree on every issue, but we believe engagement and dialogue with Democrats and Republicans is important to promoting a health care policy environment that supports innovation, a highly-skilled workforce and access to life-saving medicines."

A Pfizer spokesperson wrote to say that "we engage with organizations on both sides of the aisle with the purpose of advancing policies that support biopharmaceutical innovation and patient access to medicines and vaccines. Linking our contributions to issues outside of this core mission is inappropriate and misleading."

A Lilly spokesperson sent a note saying that the Lilly political action committee "supports candidates across the political spectrum who understand the value of a vibrant pharmaceutical ecosystem to address unmet patient needs. Contributions from LillyPAC will continue to be in line with Lilly's purpose to make life better."

A Novartis spokesperson wrote that the company "makes direct political contributions at the federal and state level on a bipartisan basis through our employee-funded PAC and state political contributions where use of corporate funds is permissible by law and otherwise considered appropriate. We contribute to both parties and aim to work across the aisle to advance breakthrough innovation that can benefit patients. Novartis unequivocally supports the democratic process and peaceful transition of power."

Astellas Pharma explained that the company "has long supported elected officials, candidates and organizations, irrespective of party affiliation, who demonstrate leadership on healthcare issues, and who share our goals of advancing sound policies that foster the discovery and development of new medicines and help ensure access to life-saving and life-enhancing innovative treatments for patients in need."

Similarly, a Merck spokesperson wrote that "Merck engages in the political process to inform lawmakers and candidates about policy issues important to the biopharmaceutical industry and our core mission to invent new medicines and vaccines that save and improve lives. In establishing our political giving priorities, our contributions committee prioritizes candidates who endorse policies that support innovation and enhance patients' access to healthcare. We certainly do not agree with every position that every recipient of political support takes on every important social and business issue."

J&J declined to comment. We asked GSK for a response and will update you accordingly.

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