Dellums For Dollars

Ex-Representative Ron Dellums, a longtime leftist, now stumps for global AIDS funding. Is it altruism? Doug Ireland lifts the veil on his paymasters.

July 1, 2000 By Doug Ireland

For nearly three decades, Representative Ron Dellums (D-Calif.)—an African-American ’60s radical from an East Bay district—was one of Congress’ most progressive members. Over the years, this Congressional Black Caucus leader became known for such causes as attacking bloated Pentagon budgets, opposing the Persian Gulf War and championing government-financed health care. Since retiring two years ago, Dellums has garnered publicity for advocating a $6 billion Marshall Plan for AIDS in Africa. This past March, he was named chair of the Presidential Advisory Council on HIV/AIDS. But meanwhile, Dellums has quietly gone to work for both the pharmaceutical and health care industries. And therein lies a complex and disturbing tale.

Dellums is currently backing a cheaper version of his Marshall Plan embodied in a bill (HR 3519) cosponsored by his handpicked successor, Rep. Barbara Lee (D-Calif.), and House Banking Committee chair Jim Leach (R-Iowa). Their proposal, which has passed Leach’s committee, would authorize a mere $200 million a year over five years in U.S. contributions to a new World Bank AIDS Trust Fund for research, prevention, treatment and care in developing countries. Even with the $5 billion that Dellums claims this could leverage from other Western governments, corporations, foundations and nonprofits, the total would fall far short of the vast sums needed to provide drugs to a fraction of the Third World’s 33 million HIVers.

Moreover, the Leach-Lee bill is silent—except for a vague reference to “affordable drugs”—on the crucial issue of drug pricing. In the poorest, most AIDS-ravaged countries, HIV drugs sold at Western prices are simply out of reach for those who most need them. But under Leach-Lee, behemoth pharmaceuticals would get a tax deduction for contributing to the fund, reap a PR harvest of good will for their supposed generosity, and make back the money they gave by selling exorbitantly priced AIDS drugs to Fund-sponsored programs. “If there’s nothing on drug pricing [in the bill], it won’t work,” says Jim Jones, policy director for Sen. John Kerry (D-Mass.), one of the Senate’s leading AIDS advocates.

Dellums is passionate and eloquent when describing the devastating effects of the African AIDS pandemic—but ask him about drug pricing and he starts to filibuster: “If you dropped all of the drugs in the world on Africa, people would still die of AIDS” because of the lack of health care infrastructure, he told POZ. “We have to put the cost of treatment in the perspective of everything

else." While admitting, when pressed, that "affordability and accessibility have to be addressed," he wouldn't say how. He claimed ignorance of a Senate-passed proposal to forbid U.S. government pressure on developing countries seeking to produce low-cost generic drugs. Coming from a Congressional veteran who heads the AIDS council, that's hard to believe. And even when the provision was explained to him, he refused to express an opinion—although the White House had already endorsed it.

It turns out that Dellums is a highly paid consultant to pharmaceutical giant Bristol-Myers Squibb (BMS). When POZ asked him how much BMS was paying him—his fee is rumored to be in the mid-six figures—Dellums refused to answer, yelling that the question was "insulting." He has accompanied top BMS executives on junkets to South Africa. And a largely paper nonprofit that Dellums chairs, the Constituency for Africa, gave BMS—which has made billions from AIDS drugs developed by taxpayer-funded research—an award for its "contributions to fighting AIDS."

Dellums insisted he has only consulted with BMS on its controversial "Secure the Future" program, through which the company will spend $20 million a year over five years to provide research and training on AIDS in five Southern African countries. BMS announced this initiative in May 1999, at the very moment the company (along with 40 others) was suing the South African government to prevent s implementation of generic drug access. It was also just as U.S. and South African demonstrations were beginning against the Clinton administration's bullying of South Africa on behalf of the pharmaceutical industry. The Wall Street Journal reported that the BMS plan was "certain to raise ethical questions" as it included "studies involving 20,000 AIDS patients...taking drug cocktails that in some cases consist solely" of the company's three lucrative AIDS drugs: ddI (Videx), d4T (Zerit) and hydroxyurea (Hydrea). Moreover, said the Journal, the trials would include two-drug regimens considered "suboptimal" in the West, adding that the initiative allows BMS to open up new markets and research facilities. And the plan doesn't ensure continued treatment for BMS's African guinea pigs once the study ends.

Finally, for a huge company with well over $18 billion in annual revenues, the $20 million it will spend a year on the program is chump change: To put it in stark perspective, BMS's CEO receives an annual salary of $146 million. That's why the "Secure the Future" initiative was rebaptized "Secure the Profits" by AIDS activists and why Jamie Love, director of Ralph Nader's Consumer Project on Technology, denounced it as "a cynical public relations and marketing ploy." Dellums' work for BMS is con-sidered by many a glaring conflict of interest with his role as chair of the president's AIDS council. As Mario Cooper, founder of the national African-American AIDS advocacy forum Leading for Life, put it, "If Dellums is working for any drug company, he should resign" as council chair.

But that's not the only conflict in Dellums' portfolio. The ex-Representative also heads an outfit called Healthcare International Management Company, which, according to its governmental affairs VP Charles Stevenson, is trying to set up HMOs in South Africa and other African countries. Given the appalling history of managed care here, it's hard to see how this approach would benefit HIVers in South Africa, whose health care system is already sinking under the weight of the epidemic.

Dellums' company is, in turn, a subsidiary of a financially troubled Tennessee-based conglomerate, Access Health Systems, whose CEO, Tony Cebrun, has what several local reporters told POZ is a "lavish home" in South Africa.

Another subsidiary, Access MedPlus, is the second-largest subcontractor to the state's TennCare program covering the state's 1.3 million uninsured people. The company has been teetering on the edge of bankruptcy, prompting numerous suits for nonpayment by health care providers. Although criticized by state officials for failing to make mandatory financial disclosures, Cebrun's operation is, according to one reporter who insisted on anonymity, "politically untouchable" because "half the black politicians in the state have relatives on its payroll." One of those politicos is former Rep. Harold Ford Sr., boss of a notoriously corrupt Memphis-based political machine, who retired from the House under a hail of subpoenas. Ford brokered the deal that brought Dellums to Access Health Systems, for which Dellums was paid $1 million, according to a company source.

Which brings us back to the Dellums-inspired World Bank AIDS Trust Fund. Under the Leach-Lee legislation, it is the World Bank—which has long pressed for managed care in developing countries—that would determine AIDS spending. If the Dellums-Cebrun company persuades South Africa to let it set up HMOs, it stands to make a bundle.

So while the Leach-Lee bill may be better than nothing, the skein of Dellums' interlocking interests does call to mind the cynical old saw: He does well by doing good.

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