



ACCOUNTABLE^{.US}

**Operation Warp Speed at Two
Months: \$4 Billion for Drug
Companies, Zero Assurances for
Patients and Taxpayers**

Summary

Two months ago, on May 15, 2020, President Donald Trump [formally announced](#) the creation of “Operation Warp Speed,” (OWS) “the administration’s national program to accelerate the development, manufacturing, and distribution of COVID-19 vaccines, therapeutics, and diagnostics.” This is a critical goal that people across the country strongly support, but like so many Trump Administration health programs, OWS has been mired in controversy, shrouded in secrecy, and has put the interests of drug companies and their profits ahead of patients and public health.

Even before the formal announcement, it was [revealed](#) that OWS’ top scientist would be [Dr. Moncef Slaoui](#), a former drug company executive who [refused to divest](#) from his long-time holdings in the vaccine company GlaxoSmithKline and who [was exempted from standard transparency and conflict of interest rules](#).

Over the past two months OWS has poured \$4 billion into the hands of drug companies, many of them with close relationships to Dr. Slaoui, Sec. of Health and Human Services [Alex Azar](#), and [other Administration officials](#).

Most alarmingly, these taxpayer dollars have been handed to the drug companies with no transparency and

[no clear assurances](#) that vaccines or treatments developed using these federal investments will be affordable or accessible to American families. In fact, based on the limited information about the secretive contracts between OWS and the drug companies that has been [brought to light](#), the Trump Administration has actually weakened its own leverage over the drug companies in ensuring access and affordability.

This is deeply concerning for the patients, families, and advocates who believe that the government should be doing everything possible to ensure that vaccines and treatments developed with taxpayer support are affordable for every single American and can’t simply be used for more drug company profiteering.

Two months into Operation Warp Speed’s work we don’t yet know if their investments will pay off in the form of successful vaccines and treatments. And if they do, we don’t know if that will mean American patients will be able to access and afford them.

The report below outlines what we know two months in about OWS’s top leadership, the major drug companies receiving taxpayer funding so far, how they have worked to influence this Administration, and what we know about the secret contracts between them and the Administration.

Key Figures

Moncef Slaoui

- **Current Role:** Operation Warp Speed Chief Advisor.
- **Industry Experience:** Dr. Slaoui is a former top executive at GlaxoSmithKline, leaving the company in 2017. Since then, he has taken positions with at least nine pharmaceutical companies or firms including [Moderna](#), [Lonza](#), [Medicxi](#), [Vaxcyte](#) (formerly SutroVax), [Brii Biosciences](#), [Intellia Therapeutics](#), [Galvani Bioelectronics](#), [Clasado](#) and [Artizan Biosciences](#).
- **Ongoing Conflicts:** Slaoui has “intricate ties to big pharmaceutical interests” with [“the potential for significant conflicts of interest,”](#) particularly as the administration has allowed him to take his role on contract, bypassing disclosure rules and federal conflict of interest laws. Slaoui [divested from Moderna](#), a leading vaccine candidate whose stock prices skyrocketed in the days after his appointment earning him millions, but continues to maintain other financial ties. For example, he holds roughly \$10M in GSK options as GSK [is partnering with Sanofi](#) to develop a COVID vaccine and [remains chairman](#) of Vaxcyte, a new vaccine company which [upsized its IPO](#) just weeks after Slaoui’s appointment to Operation Warp Speed.

Robert Kadlec

- **Current Role:** Assistant Secretary for Preparedness & Response at HHS.
- **Industry Experience:** Dr. Kadlec previously worked as a consultant for Emergent Biosolutions, a role he [did not disclose](#) to the Senate during his confirmation in 2017. Kadlec [also failed to disclose](#) that he once co-owned a biodefense company with the founder and chairman of Emergent. Other previous clients [include](#) pharma trade group BIO and Bavarian Nordic, another ASPR contractor.
- **Ongoing Conflicts:** Since Kadlec took over ASPR, Emergent [has received more than \\$1.2 billion](#) in contracts and is scheduled to receive more. Under one of the contracts, HHS is paying [more than double the price per dose](#) that it previously paid for smallpox vaccine. Emergent [pushed for the national stockpile to be transferred to ASPR](#) under Kadlec’s watch.

Additionally, Kadlec is implicated in the [whistleblower complaint](#) filed by former BARDA director Dr. Rick Bright for giving [improper access to friends](#) and drug companies with pending applications like Novavax.

Alex Azar

- **Current Role:** Health and Human Services Secretary.
- **Industry Experience:** Azar joined the Trump administration after serving for years [as the president of U.S. operations for drug company Eli Lilly](#). While Azar was at Eli Lilly, the company [hiked the price of its insulin](#) by three times.
- **Ongoing Conflicts:** While testifying to Congress in late February, Azar [refused to commit](#) to ensuring any COVID vaccines were affordable for all Americans.

Key Entities

Emergent Biosolutions

- **Federal Funding:** Operation Warp Speed awarded Emergent a [\\$628 million contract](#) – at the time the second-largest award in COVID response – for manufacturing vaccine candidates. They have received [billions in additional federal contracts](#) through Kadlec’s ASPR. Emergent also has private sector contracts for COVID vaccine manufacturing with [Johnson & Johnson](#), [Novavax](#), [Vaxart](#) and [AstraZeneca](#).
- **Trump Administration Ties:** ASPR chief Robert Kadlec was [previously a paid consultant](#) for Emergent.
- **Influence Peddling:** Emergent lobbyists [host administration officials like Kadlec and fundraising receptions on the roof of the Willard hotel](#) and hosted a \$3,000/plate fundraiser for Sen. Richard Burr, who previously twice employed ASPR chief Robert Kadlec. They report spending [nearly \\$5 million](#) on lobbying since 2019 and [\\$130K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** n/a.

Moderna

- **Federal Funding:** Moderna was [named one of five vaccine finalists](#) by Operation Warp Speed in early June. It has received [\\$536 million from BARDA](#) for development of its COVID vaccine candidate.
- **Trump Administration Ties:** At the time of his appointment as chief advisor of Operation Warp Speed, Moncef Slaoui was [a Moderna board member who held 155,000 shares](#) in the company valued at \$10M. Slaoui has also served on the board of Lonza which [partnered with Moderna](#) to provide manufacturing capacity.
- **Influence Peddling:** They report spending [\\$50K](#) on lobbying since 2019.
- **Details On Pricing & Accessibility:** Moderna’s contract with BARDA, obtained by KEI, is available [here](#). Moderna’s CEO has [claimed that they would be “very thoughtful”](#) about pricing a COVID vaccine but declined to elaborate. The NIH contributed significant research to Moderna’s vaccine candidate development and [may have a stake in the intellectual property patent](#) that could allow the government to assert rights like price controls.

Johnson & Johnson

- **Federal Funding:** Johnson & Johnson was [named one of five vaccine finalists](#) by Operation Warp Speed in early June. Its vaccine candidate, through subsidiary Janssen, [received \\$456 million](#) in BARDA funding and it also [received \\$152 million](#) for therapeutics.
- **Trump Administration Ties:** Johnson & Johnson [has provided compensation](#) to at least 5 members of the Trump administration.
- **Influence Peddling:** They report spending [\\$7.3 million](#) on lobbying since 2019 and [\\$848K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** Johnson & Johnson’s contracts with BARDA, obtained through KEI, are available [here](#). The company [claimed](#) they are not interested in making a profit on a COVID vaccine. However, march-in rights, which give the government some power to intervene if companies charge unreasonable prices, [were weakened](#) in Johnson & Johnson’s contract with BARDA.

AstraZeneca

- **Federal Funding:** AstraZeneca was [named one of five vaccine finalists](#) by Operation Warp Speed in early June. Through its partnership with Oxford, it received [\\$1.2 billion in funding](#) for its vaccine candidate from BARDA. It received an additional [\\$23 million](#) to fund a therapeutic drug.
- **Trump Administration Ties:** AstraZeneca [has provided compensation](#) to at least 1 member of the Trump administration.
- **Influence Peddling:** They report spending [\\$4.4 million](#) on lobbying since 2019 and [\\$524K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** AstraZeneca CEO claimed they wanted to ensure [“broad and equitable access”](#) to its vaccine candidate and do so “at no profit” during the pandemic. The company [declined to provide any further details](#).

Merck

- **Federal Funding:** Merck was [named one of five vaccine finalists](#) by Operation Warp Speed in early June. Merck received [\\$38 million in funding](#) for its vaccine candidate from BARDA.
- **Trump Administration Ties:** Merck [has provided compensation](#) to at least 2 members of the Trump administration.
- **Influence Peddling:** They report spending [\\$9.2 million](#) on lobbying since 2019 and [\\$895K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** Unknown.

Pfizer

- **Federal Funding:** Pfizer was [named one of five vaccine finalists](#) by Operation Warp Speed in early June. Its vaccine candidate, developed in partnership with German firm BioNTech, has not yet received BARDA funding.
- **Trump Administration Ties:** Pfizer [has provided compensation](#) to at least 7 members of the Trump administration, including former FDA Commissioner Scott Gottlieb who [joined the company’s board of directors](#) in June 2019.
- **Influence Peddling:** They report spending [more than \\$15 million](#) on lobbying since 2019 and [\\$1.8 million in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** Pfizer CEO Albert Bourla [told a TIME reporter in July](#) that they intend to price their vaccine to make a profit.

Novavax

- **Federal Funding:** Novavax received Operation Warp Speed’s largest award to date with [\\$1.6 billion](#) to fund its vaccine candidate.
- **Trump Administration Ties:** In [his whistleblower complaint](#), Dr. Rick Bright documented Novavax CEO Stanley Erck and other company executives making improper contact with BARDA officials while Novavax’s funding proposal was pending. It is unknown whether Dr. Kadlec met with Novavax officials as he had planned to as laid out in Dr. Bright’s complaint prior to Novavax receiving \$1.6 billion from OWS.

- **Influence Peddling:** They report spending [\\$50K](#) on lobbying since 2019.
- **Details On Pricing & Accessibility:** HHS noted in [its funding announcement](#) that the initial investigational order of vaccine doses would be available at no cost. There were no additional details provided on further orders.

Sanofi

- **Federal Funding:** Sanofi, in partnership with Protein Sciences, received [\\$30.8 million in funding](#) for its vaccine candidate from BARDA.
- **Trump Administration Ties:** Sanofi [has provided compensation](#) to at least 3 members of the Trump administration.
- **Influence Peddling:** They report spending [\\$6.9 million](#) on lobbying since 2019 and [\\$555K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** Sanofi CEO Paul Hudson claimed it would be “[responsible](#)” in pricing its vaccine candidate.

Regeneron

- **Federal Funding:** Regeneron [received \\$692 million total](#) from BARDA for two of its COVID therapeutic drug candidates. One of the candidates, Kevzara, was [found to be unsuccessful](#) and stopped trials while the other [began late stage trials](#) in early July.
- **Trump Administration Ties:** Regeneron [has provided compensation](#) to at least 2 members of the Trump administration.
- **Influence Peddling:** They report spending [\\$1.4 million](#) on lobbying since 2019 and [\\$164K in federal campaign contributions](#) this cycle.
- **Details On Pricing & Accessibility:** Asked in May, Regeneron CEO Len Schleifer [claimed](#) they hadn’t thought about pricing or donations for their COVID drugs. Regeneron’s contract with BARDA, obtained through KEI, is available [here](#). March-in rights, which give the government some power to intervene if companies charge unreasonable prices, [were weakened](#) in Regeneron’s contract with BARDA.