

Book Review

Pharma's Black Knight Confesses All!

"The Whistleblower: Confessions of a Healthcare Hitman"

By John Mack

Welcome to Peter Rost's World!

I first learned of Dr. Peter Rost, as most of us did, back in June, 2005 when he appeared on the *60 Minutes* news show where he laid into the drug industry about drug re-importation.

One statement he made on that show was "You have certain drugs that cost 10 times more in the U.S. We're talking about exactly the same drug, made in the same plant, by the same manufacturer."

It was incredible! A VP at Pfizer, the world's largest and most powerful drug

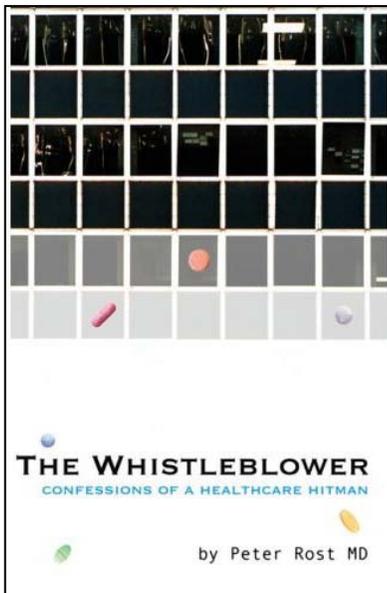
company, was attacking the industry's long-standing practice of charging US citizens the highest prices in the world for vital medicines.

Of course, both Rost and CBS included the disclaimer: "Rost is an executive for Pfizer, but he's not speaking for the drug company." Little did I realize, however, that this might have been merely Rost's opening salvo against Pfizer!

Rost has embarked on a mission few of us would care to be on—that of a whistleblower vs. the pharmaceutical industry! This mission was the subject of a recent *Pharma Marketing News* article, published soon after Rost started his blog on Huffington Post (see "[Peter Rost: Whistle Blower, Pharma Blogger, ???](#)").

I used triple question marks for a good reason—I suspected other shoes were going to be dropped, but I didn't know what they were going to be or when they would drop.

On September 10, 2006, Rost dropped the other shoe—his announcement of his new book, "THE WHISTLEBLOWER: Confessions of a Healthcare Hitman."



I was disappointed with this book. Although Mr. Rost may feel persecuted, it turns out that no court would hear his case and so it's just another instance of self promotion in the news.
-- Brian O'Neill (Amazon.com Reader Review)

It's Good to be the King!

WHISTLEBLOWER is essentially a blow-by-blow chronicle of Rost's joust with Pfizer, which plays the role of King Arthur to Rost's Black Knight (see "[Peter Rost: Pharma's Black Knight](#)").

The book may or may not have been Rost's "last resort" as he claims in the prologue. Certainly, many people urged him to write such a book early on.

Unfortunately, this book is not the one I would have advised Rost to write. He should have written a "fictionalized" version as he says he originally wanted to do. He claims the publishers demanded a "tell all" type of book. The result is a book too much focused on Rost's travails and legal maneuvers than on the issues.

Pfizer Goes to Court to Sanction Rost for Writing Book

Dr. Peter Rost, author of "The Whistleblower—Confessions of a Healthcare Hitman," announced on September 19, 2006, that Pfizer has asked the US District Court, NY, to advise on relief and for sanctions against Dr. Rost for writing "The Whistleblower," per recently released court records, case no. 05-CV-10384.

In a separate legal communiqué, Pfizer's lawyer writes, "Be advised that we are in the process of evaluating the extent to which this book likewise violates the Protective Order." Pfizer has also requested "Confidential" designation of virtually all documents used to write "The Whistleblower."

"Pfizer's attempt to stop 'The Whistleblower' and deny the public the right to view associated documents may not be surprising considering the explosive content and Pfizer's infamous history as the only drug company forced by the government to sign not just one, but two separate Corporate Integrity Agreements," said Dr. Rost.

"This book was a pleasant surprise. I expected an expose' of dangerous shortcuts in clinical trials and FDA submissions by the drug industry, but I found something else. An extremely entertaining (yet disturbing) story about how Pfizer -- one of the world's largest prescription drug manufacturers -- tried to stomp on an executive who first tried to right the wrongs of the company's marketing techniques, and failing that, tried to undermine that executive's efforts to disclose the problem to federal authorities (which by federal law he was required to do, or go to jail)" -- Jack E. Lohman "Political Junkie" (Amazon.com Reader Review)

Not that a personal story is not worth reading. But Rost has a way of being "too personal." In 234 pages, I counted about 1,500 I's or about 6 per page, or 2-3% of the total words. I don't have any statistics to compare with this number, but that seems like an overuse of the first person singular. It's OK in a book of fiction or in a blog, but I find it distracting in a non-fiction book.

Something Old, Something New

The other problem I find with Rost's book is that it's really his blog put into a book format. Rost's blog makes great reading in small, daily doses, but when blog posts are collected into a book it can be a bit boring.

If you have been a regular reader of Rost's blog or been a member of his personal e-mail contact list, you may find little that is new in his book. Rost, however, reveals some new information about Genotropin's sales in Japan as related in this excerpt from a recent Brandweek story:

The Japan accusations, however, are new. Rost alleges that in 2002 Genotropin's market share in Japan was flat, and the overall market for Genotropin was decreasing, but the drug's sales in Japan nonetheless went up.

*"I started to suspect that my Japanese colleagues were playing around with their numbers, most likely inflating sales by loading in product to distributors and wholesalers," Rost says in *The Whistleblower*.*

Each December, according to the book, Pharmacia would record a large increase in Genotropin sales, "more in that month than in the other months." The execs were borrowing sales they hoped would occur the following year, the book states. "This, of course, is a Ponzi scheme, doomed to fall apart when there aren't enough sales to move over."

Rost points to Pfizer's post-acquisition 8-K filing, which notes that, "For 2003, the harmonization of Pfizer's and Pharmacia's accounting and operating practices negatively impacted full-year revenues by approximately \$500 million . . . The principal factor was the reduction of legacy Pharmacia wholesale trade inventories."

Paul Fitzhenry, a Pfizer rep, said, "This \$500 million reflected harmonizing inventory around the world for every Pharmacia product." Therefore, Japan's Genotropin sales would only have been "a small fraction" of the \$500 million, he said. Fitzhenry added, "To our knowledge the SEC has taken no further action on that matter," which ended in 2004.

– Jim Edwards, 'Whistleblower,' Pfizer Clash Over Accusations, September 11, 2006.

Turning Point

One thing that I took away from the book is how difficult it may be for high-level corporate marketing executives like Rost when faced with knowledge of corporate illegalities.

After analyzing sales of Genotropin, Rost suspected that Pharmacia was engaged in illegal off-label promotional activities and rewarding sales reps for this activity. "Based on the doctors who wrote adult prescriptions, dosing and length of treatment," said Rost, "we concluded that most of the adult sales were being prescribed for off-label anti-aging treatments."

After notifying Pharmacia lawyers of what he had found out, Rost was confronted by a document on his desk outlining the 21st paragraph of the United States Code 333(f), which states that: ". . . whoever knowingly distributes, or possesses with intent to distribute, human growth hormone for any use in humans other than the treatment of a disease or other recognized medical condition, where such use has been authorized by the Secretary of Health and Human Services under 21 U.S.C. 355 and pursuant to the order of a physician, is guilty of an offense punishable by not more than 5 years in prison."

Rost revealed in his book that this was a turning point in his life:

"Anyone who works in marketing knows that off-label marketing is illegal and can result in fines for the company, but I had never before heard of any drug where illegal distribution could result in jail. I looked at my business card. It said 'Peter Rost, M.D., Vice President,

Endocrine Care, Healthcare Hitman. ' Actually, it didn't say the last two words, but it could have. To be a vice president, I thought, would be enough to put me in a bad position if the Feds came looking at our business. I had to take action."

In a PharmaGossip interview following the publication of his book, Rost had the following answer to the question, "Is there anything you feel you could have handled better?"

"20/20 hindsight always gives clarity.

I used to trust people.

I don't do that anymore.

If I would relive my life, I would simply have gone straight to the police in Sweden, without notifying the company.

My advice is the same as the one given by Sherron Watkins, the Enron whistleblower; there is very little point in going to management if you discover something untoward is going on, and there is a big chance they are involved.

Get out, or go to authorities. Don't waste your time thinking the company will be happy to hear from you."

Dirt Dearth

Despite being billed as a "tell all" story, there is really very little "dirt" in WHISTLEBLOWER that can be attributed to real persons. Rost mentions that someone is sleeping with someone in a corner Pfizer office but neglects to give the human interest titillating details. The following paragraph is an example:

"He [an HR manager, not given a name] had spent many years working at Pfizer and believed the rumors were true -- a group within Pfizer's management had been in and out of bed with each other for a number of years. In one instance a senior person allegedly dated a direct report while he was married. Soon after, that direct report turned and dated a guy reporting to her. And then this guy dated several women in his department."

How much more interesting this would have been in a fictionalized format with fully-developed characters based on real people! It definitely would have offered some relief and human interest interspersed between the legal documents, maneuvers and counter-plays that fill the pages of the book.

"In contrast to John Mack's review which calls it a little dull, I think it's a very, very interesting tell-all and much more interesting than a fictionalized version would have been. It's 200 pages and I devoured it in 2 hours." – Matthew Holt, The Healthcare Blog, "Peter Rost's confessions of a healthcare hitman," September 12, 2006.

I know Rost would have loved to take the fictionalized approach and livened up his book with steamy scenes of sex. He's often touched upon sex in his blogs and often displays revealing images! That's part of what makes reading his blog so much fun. The book could use some fun stuff as well.

"Thank you so much John for this analysis. And, I've already taken your advice. The fiction manuscript is virtually ready! After all, you didn't think I'd ever give up on that one or anything else?" – Peter Rost, comment to Pharma Marketing Blog post

The Battle Goes On

But, Rost has another agenda: it's to win.

"...a single individual can win if he allies himself with the press or with law enforcement. Obviously, 'winning' is a matter of definition. That individual may never work in the same industry again, nor may he ever get same kind of income, but he may win in the eyes of the public opinion."

I learned a long time ago that you don't lose until you lie down and die or declare defeat. The battle goes on. – Peter Rost, comment to Pharma Marketing Blog post

I admire Rost for his courage in taking this path and being very creative in his joust with Pfizer. Rost won't be a one-trick pony! Once his war with Pfizer is over, who knows what he can do?

Like the Black Knight, Rost may not win, but he will never admit defeat. "All right," says the Black Knight's armless and legless torso to King Arthur, "we'll call it a draw."

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