

LOBBY WATCH

★ TEXANS FOR PUBLIC JUSTICE 609 W. 18TH ST., SUITE E, AUSTIN, TX 78701 PH: (512)472-9770 FAX: (512)472-9830

Victims and Executioners:

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New Big Donor Compounds Greg Abbott's Drug Problems Specialty Pharmacies Supply Death Row, Fight Regulation and Litigation

Richie Ray sticks out from the traditional tycoons making up Greg Abbott's biggest supporters this cycle. The \$350,000 that Ray gave Abbott in the past year catapults him from obscurity into the ranks of the top sponsors of this year's Governor's Cup.¹

Ray owns Conroe's [Richie's Specialty Pharmacy](#). It is a "compounding pharmacy," the lightly regulated makers of specialty drugs. Multiple complaints allege that rogue compounders have killed dozens of Americans with botched drugs. And, as traditional drug makers stop supplying executions, compounders have begun to sell lethal doses of pentobarbital to Texas' death row. Attorney General Abbott has been deeply involved in both issues.

Death-Row Compound

The nation's busiest death row killed 482 people over 30 years with a three-drug cocktail.² Some of those deadly drugs came from Europe, which has grown queasy about executions. When Europe cut off supplies, Texas switched to pentobarbital, buying four le-

thal doses from a compounder last September.

Abbott has complex roles in this drama. His open-records staff forced the state to identify its pentobarbital supplier in October (which reportedly drove the [Woodlands Compounding Pharmacy](#) out of the execution business). Abbott, who touts his transparency record, is now weighing a [pending](#) request to identify the state's *new* death-drug supplier. Yet, at the same time, his lawyers have urged state and federal courts to let Texas execute convicts without having to disclose the source of its lethal drugs.

Richie's Specialty is a member of [Professional Compounding Centers of America](#) (PCCA),

Top Contributors to Greg Abbott (Jan. 2013 Through Jan. 23, 2014)

Amount	Contributor	Affiliation
\$900,000	Harold C. Simmons	Contran Corp.
\$450,000	Kelcy Warren	Energy Transfer Partners
\$382,705	Thomas Dan Friedkin	Friedkin Companies Inc.
\$350,000	Drayton McLane	McLane Co., Inc.
\$350,000	Robert C. McNair	Cogen Tech./Houston Texans
\$350,000	J. Richard 'Richie' Ray	Richie's Specialty Pharmacy
\$200,000	Paul L. Foster	Western Refining Co.
\$200,000	Marcus & Nancy Hiles	Western Rim Investments
\$200,000	Ray L. Hunt	Hunt Consolidated, Inc.
\$200,000	Nancy Kinder	Kinder Foundation
\$200,000	James Doug Pitcock	Williams Brothers Construction

which has had supporting roles in Texas executions.

This Houston trade group owns [Eagle Analytical Services](#), the testing lab that certified the [potency](#) of the pentobarbital that the Texas Department of Criminal Justice bought from Woodlands Compounding. PCCA also sold Woodlands Compounding the raw material used to make pentobarbital for Texas executions.³

Although Richie Ray started writing Abbott six-figure checks around the time that this death-row controversy hit the attorney general's office, Ray's pharmacy does not appear to be Texas' new pentobarbital compounder. Experts say the state probably buys the execution drug from a sterile compounder; Richie's Specialty is not [certified](#) as a sterile facility. Meanwhile, Abbott's open-records division is expected to issue a new ruling any day. Will Abbott continue to force the state to reveal the source of its pentobarbital and the raw material used to compound it? Or will he reverse himself?

Deadly compounders

Three Oregon clinic patients died in 2007 from injections of botched painkillers. Dallas-based ApotheCure supplied the Oregon clinic with an untested batch of colchicine that was up to eight times more potent than labelled. A technician who lacked the requisite pharmacy license prepared the drug at ApotheCure, where FDA [inspectors](#) found serious quality-control problems. The Texas State Board of Pharmacy previously warned ApotheCure about inadequately trained staff and improper steroid distribution. Just two years earlier Texas lawmakers had spurned the

Jay 'Richie' Ray's Contributions to Abbott & Perry

Amount	To	Date	Compounding Factors
\$2,500	Perry	4/20/04	
\$5,000	Abbott	4/21/06	
		Early 07	Drugs from TX ApotheCure pharmacy kills three
\$5,000	Perry	6/16/08	
\$5,000	Perry	8/13/09	
\$10,000	Abbott	3/10/10	First pentobarbital-only execution, in Ohio
\$5,000	Perry	6/29/10	
		7/18/12	Texas' first pentobarbital-only execution
\$25,000	Abbott	8/2/12	
		Oct. 12	Massachusetts compound steroid kills dozens
		11/27/12	AG Abbott settles ApotheCure case
\$10,000	Abbott	12/7/12	
\$25,000	Perry	12/7/12	
\$100,000	Abbott	6/20/13	
		9/16/13	TX buys 4 lethal doses of pento. from compounder
		10/2/13	TX IDs Woodlands Compound. Pharm. as supplier
		1/16/14	Ohio botches new cocktail execution
\$250,000	Abbott	1/21/14	
		3/1/14	TX gets pending request to ID new pento. supplier
		3/29/14	Oklahoma botches a cocktail execution
		3/29/14	TX Supremes keep pentobarbital supplier secret
		4/2/14	5 th COA approves execution with secret supplier
\$442,500	TOTAL		(\$400,000 to Abbott; \$42,500 to Perry)

Board's request for \$100,000 to randomly test compounded drugs.⁴

ApotheCure President [Gary Osborn](#) settled related civil claims with Oregon's Attorney General for \$100,000 in 2008 and with [Abbott](#) for \$200,000 in 2012.⁵ That year Osborn settled related federal misdemeanor charges for \$100,000.⁶ Given ApotheCure's estimated annual sales of \$6 million, Public Citizen complained that such settlements do not protect consumers.

Gary/Beverly Osborn Contributions

Date	Amount	Recipient
4/20/04	\$2,500	Rick Perry
6/2/04	\$500	Chuck Hopson
10/27/04	\$500	Robert E. Talton
11/16/04	\$2,000	Tom Craddick
10/3/05	\$2,500	Greg Abbott
10/6/05	\$1,000	Bob Deuell
11/22/05	\$2,500	Rick Perry
3/22/07	\$25	TX Pharmacy Assn.
9/24/07	\$1,000	Jane Nelson
10/29/07	\$2,500	Rick Perry
12/30/08	\$25	TX Pharmacy Assn.
	\$15,050	TOTAL

There is scant evidence that these penalties deterred reckless compounders. A federal judge sentenced ApotheCure's Osborn days after a Massachusetts compounder recalled fungus-infected steroids that killed at least 64 Americans.⁷ Last summer calcium gluconate injections resulted in blood infections in 17 Corpus Christi patients—causing two fatalities. The drug came from People's Pharmacy subsidiary Specialty Compounding near Austin. Initial [tests](#) found [infections](#) in the compounded gluconate and FDA inspectors found other [problems](#) at that facility.⁸

The FDA regulates traditional drug manufacturers, while states have primary responsibility for overseeing compounding pharmacies. Compounders once confined themselves to tailoring specialized prescriptions to individual patients. Today, big compounders operate on a large scale, posing much greater risks that state regulators cannot handle.

The regulatory failures that allow botched compounded drugs to kill dozens of people are no accident. The industry has fought proposals to increase regulation for years. Richie Ray has mustered ammunition for these battles. He is a Texas Pharmacy Association PAC [director](#) and [chairs](#) the International Academy of Compounding Pharmacists' federal COMP PAC.

Earlier this year Casper-based *WyoFile* [reported](#) that Texas employees of Richie's Specialty Pharmacy oddly are the No. 1 source of campaign funds to U.S. Senator John Barrasso of Wyoming. Senator Barrasso is a physician and a frequent media commentator as head of the GOP senate policy committee. This could make Barrasso, whom a trade publication hailed as "a long-time supporter of pharmacy compounding," a dream defender of the embattled industry.

Twelve people tied to Richie's gave Senator Barrasso a total of \$54,800 since 2011. Barrasso reciprocated in 2012 by touring Richie's Conroe plant and by addressing a Washington fundraiser for the industry's COMP PAC. Most Richie's contributors gave Barrasso the federal maximum of \$5,000. All of these Richie's contributors in

Texas backing a Wyoming senator aroused suspicion. *WyoFile* asked Richie's pharmacist David Strickler if the company reimbursed his Barrasso contributions. "That's not legal," Strickler replied.

Apart from Ray, none of Barrasso's Richie's contributors have given nearly as much money to state candidates in Texas,⁹ which does not limit such campaign contributions.

Top Recipients of Richie Ray's Money (June 2001 to Jan. 23, 2014)

Amount	Recipient
\$400,000	Greg Abbott
\$97,500	Brandon Creighton
\$45,125	TX Pharmacy Assn.
\$42,500	Rick Perry
\$36,000	Tommy Williams
\$27,500	Robert Lee Nichols
\$20,000	Joe Straus
\$18,400	Chuck Hopson
\$12,500	Jane Nelson
\$11,500	David Dewhurst
\$11,250	Sarah M. Davis
\$11,250	Lois W. Kolkhorst
\$10,000	Trent Ashby
\$10,000	Donna Campbell
\$10,000	Byron Curtis Cook
\$10,000	Todd A. Hunter
\$10,000	Dan Patrick
\$10,000	U. of Houston PAC
\$10,000	John Zerwas

Richie Ray's huge contributions may compound the potential conflicts that Greg Abbott must negotiate with this controversial industry. Quality-control issues at several compounding pharmacies allegedly resulted in lethal injections of dozens of patients. The same quality-control problems raise questions about whether or not secretly compounded pentobarbital will kill death-row convicts quickly enough. Attorney General Abbott has been at the center of these controversies, with his staffers sometimes taking conflicting stands on whether or not the state must disclose the source of its death drug.

**Contributions by Richie Ray's Son,
J. Richard Ray III**

Amount	Date	Recipient
\$10,000	11/28/2012	Leticia Van De Putte
\$7,500	7/16/2013	Leticia Van De Putte
\$1,250	10/18/2013	Greg Bonnen
\$1,250	11/26/2013	Dwayne A. Bohac

Notes

¹ That \$350,000 came on top of the \$50,000 that Ray gave Abbott from 2006 through 2012. This \$400,000 makes Ray the 13th largest individual contributor to Abbott since he first ran for attorney general in 2001.

² Data from the [Death Penalty Information Center](#).

³ The raw material is pentobarbital sodium.

⁴ "Compounding Problems," *Dallas Morning News*, May 17, 2007. "Five Years Ago, A Dallas Compounding Pharmacy's Mistake Killed Three People," *Dallas Observer*, November 28, 2012.

⁵ "State, Drug Maker Settle," *Portland Tribune*, April 17, 2008.

⁶ "Pharmacist, Firm Plead Guilty in Fatal Mix-Up," *Dallas Morning News*, April 26, 2012.

⁷ "Compounding Fracture," *Dallas Morning News*, September 24, 2013.

⁸ "Cedar Park Company in Drug Recall Had Previous Problems," *Austin American-Statesman*, August 14, 2013. "Two Die of Infections that May Be Linked to Cedar Park Pharmacy," *Austin American-Statesman*, August 14, 2013.

⁹ Richie's pharmacist Charles Hodge was the biggest contributor after Ray. Hodge has invested almost \$2,000 in state politics since \$2,000, most of it benefitting Senator Dan Patrick and ex-Rep. Chuck Hopson. None of the other Richie's employees cleared \$500 in aggregate Texas contributions over the past decade.