

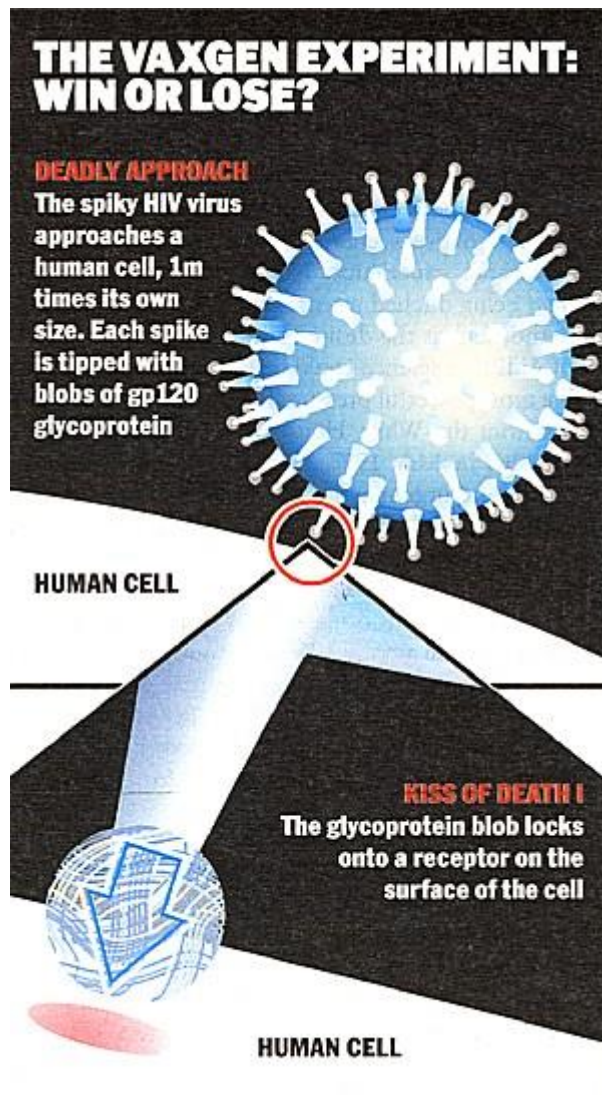
Brian Deer: VaxGen's AidsVax



Materials gathered by **Brian Deer** from his investigation for The Sunday Times of London of VaxGen Inc of California, and its "world's first Aids vaccine" which flopped in two controversial clinical trials in 2003

AidsVax index: pages on VaxGen at this site | **The Porter Stansberry investment scam**

The VaxGen Experiment: During a three-continents investigation of a proposed Aids vaccine, AidsVax, which in **February** and **November** 2003 failed in trials, Deer found a crushing scientific consensus that VaxGen's controversial technology couldn't work, but had been promoted through political pressure and private deals. The Sunday Times Magazine, October 3 1999



Dr William "Bill" Heyward and the secret deal

Evidence for the prosecution: During his inquiries in California for The Sunday Times investigation, Deer was passed documents which showed that, long before VaxGen offered shares to the public, the most important government cheerleader for AidsVax - Dr William Heyward, head of HIV vaccine research at the Centers for Disease Control - had a secret deal to join the company. Out of public duty, Deer gave some to the inspector-general, health and human services, who launched a formal inquiry

Go with the flow: From the CDC in Atlanta, Heyward had lobbied policymakers and approved \$8m in grants for VaxGen. But the company had already drawn the chart at this link, setting out his future duties for the company, and in January 2000, he joined ex-CDC staffer Dr Donald Francis, VaxGen president, who also hired former CDC deputy director Dr Walter Dowdle to head its influential data monitoring board

United States v William L. Heyward: Armed with Deer's papers, federal attorneys brought charges against Heyward, accusing him of violating **anti-graft laws** intended to check corruption in public service. Heyward, by then a VaxGen vice-president, eventually admitted the conflict, paid a mere \$32,500 fine and escaped a high-profile criminal trial that might have proved devastating

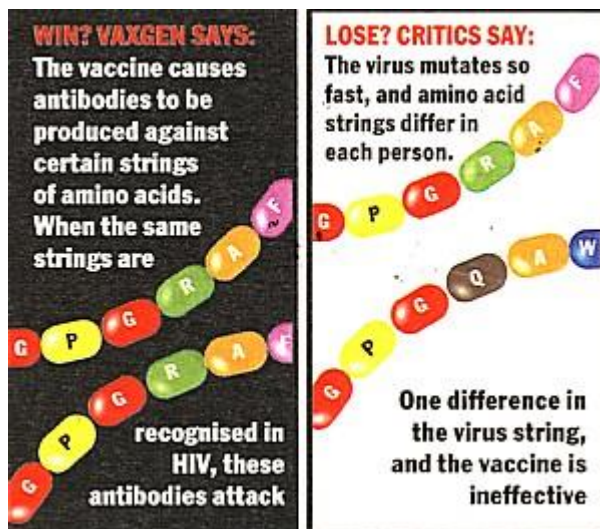
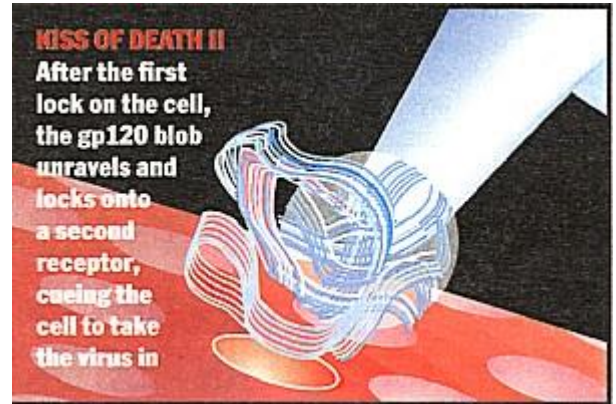
Mission accomplished: While Heyward was still in government employment, the company directed journalists to him - as the media pack pages at this link show - giving themselves his apparently independent endorsement. CDC's

prestige also helped the stock price of VaxGen Inc to soar following a **press announcement** about the agency's involvement. Heyward had championed VaxGen's position for years, as in a string of **science papers**

Lawsuits gather after VaxGen's AidsVax fails

Investor lawsuits: Following the prosecution of VaxGen vice-president William Heyward, the company was hit in March 2003 with the first class action lawsuit alleging securities fraud. The complaint at this link, filed by attorneys Milberg Weiss in US district court alleged that the company concealed facts, made false claims to cause VXGN stock to trade at inflated prices, and made misleading statements on trial data

More investor lawsuits: A second, third and fourth legal complaint, also rejected by VaxGen, were filed by law firms Green & Jigarjian, Haldenstein Adler and Glancy & Binkow



Sunday Times probe finds more weird science

Of chimps and chumps: Company claims in its **IPO prospectus** as to why they believed AidsVax would work rested on antibodies in volunteers during small-scale tests, and two experiments described by AidsVax inventor Dr Phillip Berman in chimpanzees. Preparing a **Sunday Times** report for March 2003, Deer **raised** with VaxGen these experiments, carried out at Genentech Inc before that company **abandoned** AidsVax

AidsVax's political history: Given the controversies gathered on these web-pages, the obvious question is: how did this fiasco happen? How could so much effort be put into a vaccine that couldn't work? In 1998, New York Newsday reported on the intensely political background to Aids research in general and the race for an HIV vaccine in particular

Out-of-hours announcement throws observers

Scientists caught napping: On February 24 2003, VaxGen broke with its declared plans for unveiling data and announced the failure of its US clinical trial in the middle of the night, eastern time, giving themselves a clear run with off-hours media staff

Aids activists were outraged by the stunt, and scientists who might have challenged VaxGen's spin were for the most part asleep



Playing the race card: According to VaxGen's results, the trial failed to show efficacy, but under company subgroup analysis it was claimed that among blacks and Asians the vaccine had astounding protective powers. **VaxGen slides**, however, revealed a weird clustering in the placebo group - caused by one Chicago man - and **message board** chat raised anxieties



A lucrative but pointless partnership in Aids?

Berman's big moment: In March 2003, AidsVax inventor Phillip Berman (left) made a rare appearance at a conference call - from a symposium in Canada. During his 30-minute presentation, the stock market responded, as this chart at this link shows.

In January 2004, Berman quit VaxGen, with **Donald Francis** (far left) who claimed that **chimpanzees** were remarkable mirrors

Work in progress: The \$8m CDC grant went to five of the US centers participating in the VaxGen trial. At this link, an April 2001 CDC press notice backgrounds the crucial project Heyward was involved in setting up. This substudy of VaxGen's trial may have been badly distorted by **selective recruitment** of volunteers compared with controls - suggested by **this chart**



Porter Stansberry hypes as VaxGen crashes

Stansberry scam: For all the incredulity among scientists, one man who stood above the herd was **Porter Stansberry** (pictured left), an "investment analyst" with the Baltimore-based Agora group, who claimed to have "**proof**" that AidsVax worked

Even as insiders and institutions dumped VaxGen, **Stansberry's mailshots** promised miracles. He later **challenged Brian Deer**, but would be successfully be prosecuted for fraud by the Securities and Exchange Commission over an extraordinary investment scam

Vehement denials: In reply to the criticisms, VaxGen Inc argued that the failed trials of AidsVax would help battle Aids, regardless of their outcome. At **this link** the company denies any conflict of interest by Dr Heyward, and at **this link** it offers its own account of the fierce opposition AidsVax has encountered

Brian Deer wins a second British Press Award

Longtime observer: Since reporting in 1981 the **first recognized death** in the UK from what would later be known as Aids, Deer has followed both the epidemic caused by HIV and issues connected with other vaccines, such as the **DTP-DPT**. His investigations in the field of medicine won him a **British Press Award** in 1999, the UK version of a journalism Pulitzer Prize, and another **press award in 2011**

In this video, Deer is named the UK's top specialist journalist by the Society of Editors. The presentation was made by Sky News anchor Anna Botting at London's Savoy hotel in April 2011, with the judges praising his

investigation of the **MMR vaccine scandal** as a
"tremendous righting of a wrong"