

Cancer crusader weathers scandals

ImClone and Enron don't derail president of M.D. Anderson

By Leigh Hopper, Houston Chronicle Medical Writer

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On a sweltering day last July, University of Texas M.D. Anderson Cancer Center President John Mendelsohn and his wife jetted to affluent Aspen for a series of cocktail parties and dinners with potential donors.

The cool air and the company of wealthy supporters was an escape from Houston's heat in more ways than one: The doctor's distinguished name was whirling in the maelstrom of Enron's collapse and ImClone's insider-trading scandal.

In the weeks leading to the Aspen trip, a Senate panel blasted Mendelsohn and other former members of Enron's board for their "lax" and "superficial" oversight of the energy giant's dealings. A New York Times columnist scolded Mendelsohn "who served on the board of ImClone even as it botched the FDA approval process for the cancer drug he developed."

Furthermore, conflict-of-interest questions surfaced in Houston, where 195 patients enrolled in studies of ImClone's cancer drug Erbitux weren't told Mendelsohn had a financial stake in the drug.

But in the crisp altitude of Colorado, where the cancer center was holding a cancer education program, none of this came up.

"It was the elephant in the room," said a guest at the Aspen parties. "No one dared mention it. Which speaks to how respected he is."

Today, 16 months since Enron filed for bankruptcy and ImClone's stock price plunged, Mendelsohn has emerged from the most controversial period of his 35-year career relatively unscathed.

By wide account, the doctor did nothing illegal with regard to Enron or ImClone, and researchers remain enthusiastic about the potential of Erbitux for treating colorectal cancer.

On Friday, ImClone stock prices were on the rise with news the cancer drug may be on the market in Europe next year. Mendelsohn's job, running one of the world's largest and best-known cancer centers, is secure.

"He did survive this unscathed, but there was a time when this was troubling to him and the institution," said Peter Coneway, incoming chairman of M.D. Anderson's advisory board and a former UT regent. "I think he slept less, worked harder."

Mendelsohn, 66, came to Houston in 1996 from New York's Memorial Sloan-Kettering Cancer Center, where he was chairman of medicine and running a lab researching Erbitux and similar compounds. Under his watch, M.D. Anderson doubled its federal research funding, doubled its budget to \$1.8 billion and increased square footage by 50 percent. The cancer center treats 60,000 patients a year and enrolls 11,000 people in clinical trials.

Six feet tall with a full head of white hair, Mendelsohn is an energetic, charismatic figure who seems uncannily well-suited for his role. He can discuss scientific breakthroughs, dine with the queen of Thailand and socialize with Houston's elite with equal ease. Aptly, one faculty member dubbed him "Central Casting." Think Jimmy Stewart playing a cancer specialist.

He grew up in Cincinnati, the son of a homemaker and a seller of suspenders and men's belts. He graduated from a public college-preparatory high school and earned his undergraduate and medical degrees from Harvard. In medical school he met his future wife, Anne, a former chemist and public television producer.

"John is a remarkable guy because most people who get to where he is have stepped over some bodies to do it," said Dr. Edward Silberstein, a lifelong friend who is a professor of nuclear science at the University of Cincinnati. "He didn't get there by stepping on people. John is a very loyal friend to a lot of people around the country. He was in the right place at the right time, but he's good."

Mendelsohn's arrival in Houston coincided with a turn of events that positioned M.D. Anderson to become the juggernaut it is today. In the mid-'90s, the institution, which is state-run, was hurting in a health care market controlled by managed care companies. To protect M.D. Anderson, Texas lawmakers approved a small but significant change in the Texas Education Code, allowing patients to refer themselves to M.D. Anderson specialists.

Previously, the institution required that patients get a referral from their own physician. Backed by the law created by Senate Bill 192, consumers demanded access to M.D. Anderson and insisted that health insurance pay for it. Under pressure, HMOs added M.D. Anderson to their rosters -- opening the gates for a flood of patients.

But Mendelsohn gets credit for elevating M.D. Anderson's profile by recruiting top researchers, pursuing federal research grants and aggressively marketing the institution through grateful customers.

He made patient satisfaction a top priority, for example, simplifying the phone system so callers could reach a live person after pushing one button. He hired more radiologists and pathologists to shorten the wait for test results. He set a policy of getting patients in to see doctors within four days of calling for an appointment.

UT's Board of Regents, which governs M.D. Anderson, and the Board of Visitors, which serves as an advisory board, are delighted with Mendelsohn's performance. He is the cancer center's most visible ambassador, and he and his wife -- who chairs the Houston Museum of Natural Science board -- go out three or four nights a week in support of various causes. Their visibility pays off: Donations and pledges for M.D. Anderson reached an all-time high of \$106 million in fiscal year 2001-02, a tough year for many charities.

"He puts himself in positions where he is able to show his passion -- and that's very appealing to people with capital who want to put it to work," said Patrick Oxford, managing partner of the Bracewell & Patterson law firm and a UT regent. "That's the kind of purity of effort people with money want to give to."

Then came the twin disasters of Enron and ImClone, scandals that redefined corporate corruption in America. Soon came unsettling news that Mendelsohn had official ties to both companies, and with it a flurry of questions challenging the doctor's judgment and integrity.

What was a physician doing on Enron's audit committee? How could ImClone, with Mendelsohn on its scientific advisory board, turn in data the Food and Drug Administration rejected as flawed? If ImClone founder Sam Waksal was a crook, why did Mendelsohn associate with him?

Members of Mendelsohn's faculty were dismayed to find the problems a topic of gossip at scientific meetings. Others wondered if he would resign to protect the institution from the tarnish of scandal. Longtime supporters feared a drop in donations if any malfeasance surfaced.

The UT regents put together contingency leadership for the institution if the situation grew worse. Coneway and former President Bush, chairman of M.D. Anderson's advisory board, met with Mendelsohn for more than an hour at Bush's office, grilling the doctor about what he knew.

"He was calm, confident, thorough. He did not seem to be visibly upset we were asking awkward and difficult questions," said Coneway, who described the meeting as

uncomfortable. "We were convinced, after talking to John ... that John had conducted himself appropriately."

On the job, Mendelsohn appeared focused and unflappable. "He was careful to compartmentalize his difficulties outside the institution," a colleague said. He held a faculty meeting to explain that he'd done nothing wrong and to invite questions. He and Anne kept up their social obligations.

"I watched him in a little amazement," said Nancy Loeffler of San Antonio, a longtime supporter of the institution. "I don't know how he did it. I couldn't have done it."

Privately, Mendelsohn and his wife feared his life's work would be discredited and their future in Houston at an end.

"We were worried," said Mendelsohn in a recent interview. "It was more than M.D. Anderson. I've had a career. It isn't just this job. We both felt it would be terribly unfortunate if this were interrupted. We are very fond of this community. So the concern was for the truth to be told and for our joint efforts together to continue."

The doctor apologized publicly for not telling cancer patients he had ties to Erbitux. M.D. Anderson changed its informed consent policy and the matter faded from view. As the Enron and ImClone sagas unspooled, Mendelsohn's name was cleared from suggestions of malfeasance. His involvement in the two companies started to seem like a case of very bad luck.

"Enron was considered one of the best companies in the world," said Charles Miller, the chairman of the UT Board of Regents. "Nobody saw that coming."

Regarding ImClone, "20/20 hindsight is great," said Dr. Margaret Kripke, chief academic officer at M.D. Anderson. "I don't think (Mendelsohn) could have anticipated ahead of time that things would go so badly with the company. I've known Sam (Waksal) since he was a graduate student at Ohio State. He really is quite charming. I think he's very persuasive."

Observers do not predict lingering legal matters will consume much more of Mendelsohn's energy. The cancer center is on track to receive a \$63 million grant from the National Cancer Institute to support research infrastructure, and the development office expects to raise more than \$80 million in donations this year.

"At the end of the day, substantively, John Mendelsohn is, was, continues to be, the person we thought him to be," said Mel Klein, a wealthy Corpus Christi businessman on M.D. Anderson's advisory board.

But he added one caveat: "I hope he doesn't go on any more public boards."

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