NOT RELEVANT

Witness Name: Dr Richard Palmer
Statement No.: WITN068301
Exhibits: **WITN0683002-3**
Dated: 4th March 2019

INFECTED BLOOD INQUIRY

WRITTEN STATEMENT OF DR RICHARD PALMER

I provide this statement in response to a request under Rule 9 of the Inquiry Rules 2006 dated 18 December 2018.

I, Dr Richard Palmer, will say as follows: -

Section 1. Introduction

1. My name is Dr Richard Palmer. My date of birth is GRO-C 1937. My address is known to the Inquiry. I am a biochemist with over 50 years experience of senior and executive positions within the Pharmaceutical industry. **Exhibit WITNO0683002** details my qualifications and positions of employment held. NOT RELEVANT

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2. I intend to speak about my time working in the Pharmaceutical industry, my experiences in America and events I observed during my employment, which I consider relevant to the Infected Blood Inquiry.

3. I make this statement as I was deeply upset by the decision that was made to import blood and blood products from America. I think that a great injustice has been done; I believe the industry was aware of the risks that importing American blood carried and continued to do so regardless. I worked alongside American colleagues who were all aware of the dangers that American blood posed. I believe that the high risk of infectivity associated with American blood was well known across America and in the wider world.

4. I was particularly saddened by the program aired on television in 2017 'Contaminated Blood – Search for the Truth'. This prompted me to write a letter to the Haemophilia Society on 15 May 2017 about my background in the pharmaceutical industry and my experiences and knowledge of blood and blood products, **Exhibit WITNO0683003**. I informed them that much of the crisis that has subsequently ensued could have been prevented; I now wish to elaborate upon the knowledge in this letter and share it with the Inquiry.

5. I firmly believe that the infected blood crisis could have been reduced had more funding been made available to the Blood Transfusion Service in this country. This would have allowed the Government to source better quality blood from voluntary donors in the UK out of which to make Factor products.

6. The Government chose the cheaper option, which was to import blood and blood products from America despite the knowledge that it was highly infective, carrying the risk of infection with Hepatitis A, B and Non-A non-B. One of the infective materials in blood was later identified and labelled Hepatitis C and another infective agent HIV was identified as an infective agent. Possibly other infective agents could have been present not identified at that time.

7. I believe that the practices of collecting blood for transfusion purposes in America were highly problematic. There was not a nation wide system of volunteer donations of blood but instead individuals could sell their blood to the collection processors. This process resulted in blood being collected from drug addicts, alcoholics and prisoners with little or no control on the frequency at which donations were made. It appeared that anyone needing cash could sell blood at any time. The health of the donors was not evaluated in such a process. In the process of preparing Factor 8 blood arising from many donations is pooled into a large volume and further processed. [1] The extent of the number of infected donations added to the pool will have an effect on the quality of the final product. Blood collected from healthier donors will produce a better final product.

8. Prisoners have been used by the Pharmaceutical and research organisations in the evaluation of vaccines and pharmaceutical products. For pharmaceutical research purposes small quantities of blood were generally collected which were used for laboratory studies for the drugs concerned however it was generally known that prisoners also donated blood in larger quantities which could be used for transfusions and combined together to make a very large pool necessary to process to derive Factor 8. In exchange for blood donations prisoners could earn money and concessions while in prison.

9. I believe that the lack of national financial investment for the production of Factor products in the UK was the catalyst for this disaster. I believe that the incidences of problems would have been much less in UK blood, as it was voluntarily donated. UK donors were less likely to be donating infected blood, as they were not incentivised by a monetary reward.

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[1] " A pool of blood in this context is a large volume of blood which consists of many individual collections of blood which have been combined for bulk processing"

10. Even recognising that blood collected in the UK may have had some infected material present it would have been diluted down by the larger quantities on non infected blood arising from the voluntary blood donor system in the UK in making the pools of blood necessary to begin processing to make Factor 8.

Information resulting from trips to the USA

11. In 1969 I started working for Searle Scientific Services at G.D.Searle (UK) The Company made a great deal of money developing and distributing the contraceptive pill and other therapeutic drugs. However during the early 1970's the two brothers running the company were advised by a consultant to diversify their business offerings and to move into the health care business not just remain in pharmaceutical products.

12. Searle had acquired funds in the UK arising from the sale of the contraceptive pill and other pharmaceutical drugs. With this money they decided to diversify in the UK purchasing several businesses, a chemical company called Hopkins and Williams, a company who specialised in laboratory equipment Baird and Tatlock,Franklins which made surgical instruments and Palmers who made physiology equipment for universities.

13. With Searle being an American company I found myself travelling frequently to America to places such as Ohio and to the company headquarters in Chicago, where I represented the diagnostic division of the company. I recall one particular instance in America that made me aware of the dangerous blood situation facing the USA.

14. During one visit in about 1971 a colleague had to cancel a dinner appointment to go to the hospital. When I inquired why? he replied that a relative was a patient and that it was normal for close relatives to attend

the hospital and donate blood, in case it was needed for his relative in the event of surgery. He said this was a normal practice within families.

He informed me that there was no national blood collection service in the USA but the American Red Cross had a system in some places in the USA. He said that much of the blood was collected from drug addicts, alcoholics and prisoners and that it was high-risk material and that he could not accept the risk to his relatives. He again reminded me that drug addicts sold blood frequently to get money to support their activities.

15. This intrigued me and I wanted to establish if this practice was actually correct. After asking other American colleagues about donating blood to relatives I became aware that the danger of infected blood was well known in the US. The American Red Cross had set up some donation centres and together with commercial companies sourced the majority of blood supplied to hospitals and clinics. Some companies collected blood from prisons, drug takers and did very little to screen blood or control who was able to donate. The medical and pharmaceutical companies were aware that patients were likely to experience problems if they received some of the commercially sourced blood products or transfusion blood.

16. I was very surprised to learn this, although I understand the USA comprises of many states and thus many separate health authorities, I assumed that there would have been a coherent national blood authority. I believe that the American medical / pharmaceutical industry must have done some research to be able to arrive at the above conclusion on the variation in the quality of the blood being collected. The public health authorities must have known of the risk presented from taking blood from prisoners who were simultaneously being tested with products from different commercial companies. Pharmaceutical companies were using prisoners as test subjects to test new vaccines and various other experimental medicines. I believe that the risk must have been known by authorities but safety concerns where frequently ignored.

17. There was probably variation in the US with the donor populations donating blood to different commercial groups which organised blood collections. Some organisations may have had a carefully selected donor population such as a college or military organisation where better health and better selection of donors could have been organised.

Commercial Opportunities for Collection and Processing of Blood Products.

18. In the early 1970's a Government agency (the Board of Trade) used to send publications to companies looking for investments. As I mentioned above Searle, the company I was working for at the time, received such a publication in which the Department of Health were looking for companies to invest in the production of Factor 8. Searle were still looking to investigate the opportunity so decided to approach the Department of Health to explore the possibility producing Factor 8 in the UK as a business opportunity. To explore this a technical group was selected which included scientific and marketing representatives from within the company and a representative from that group met with a representative of the Department of Health .The production of Factor 8 from blood required a major financial investment and access to a supply of blood from non infected sources.

19. The conditions lay down by the Department of Health representatives made it impossible for a commercial company to enter the field. The reasons were as follows.

20. Blood collections in the UK were based on voluntary donations and no financial reward was provided. A commercial company entering the market could collect blood only by offering money to the donors. The Department felt that this would detract from their volunteer base of free donations if there was competition from a commercial company willing to

pay money for the same material. It was regarded as unethical to pay money for donations of blood and any organs or clinical materials. These conditions still apply to the present day in the NHS.

21. These conditions made it impossible for a commercial company to operate in the UK so the entire responsibility of collecting blood and subsequent processing for Factor 8 rested with the Department of Health.

The decision of the UK to source Factor products from America: A decision fuelled by the governments need to economise

22. A short while after the rejection of our Factor 8 production possibility, I was horrified to turn on the television and see a civil servant delivering the news that the Department had found that "the Americans could supply sufficient materials to meet the UK requirements and that a good price had been negotiated". Thus the decision to source the much needed Factor 8 from America and from which many of the resulting problems arose. I was angry to learn that despite the problems, which I believe were known to the UK health authorities, concerning the safety of American blood, the Department of Health chose to import the products.

23. I assumed that the decision had been made following clear professional advice and strict conditions agreed with the US supplier on the donor population and all technical reviews and inspections agreed.

24. I believe that clinical practice would have revealed to UK health care professionals, the problems with the high-risk American material. At this time the industry would have been able to identify Hepatitis A, B and Hepatitis 'Non A Non B'. I believe that this decision was driven by the Government attempting to economise in the short term but an immense expense in health, quality of health and misery for many.

25. There were medics such as Dr David Owen who were in very senior government positions at the time who did not object to this well-known

risk. I assumed since the Department of Health was under the control of the Government that a politician could have objected to the decision to use products from the US.

College of Pathologists

26. I was a junior member of the College of Pathologists at this time. I had acquired a part membership owing to the fact that I had published the requisite amount of literature on subjects relating to Pathology.

27. The College highlighted the risks associated with the importation of American products they are the professional body representing pathologists in the UK. I believe that the archives of this organisation hold valuable information pertaining to the scientific knowledge available at the time surrounding the risk of American Blood.

HIV & Hepatitis

28. When I was making the above observations in the early 1970's, HIV had not been identified but the profession both medical and scientific were aware of Hepatitis A and B, they were also aware that there was additional infective material in blood, which carried the temporary name of 'Non A Non B' later identified as Hepititus C. subsequently HIV was identified in Blood in the early 1980's.

Observation of good blood safety practices

29. The emergence of the AIDS virus in the early 1980's produced a scramble by diagnostic pharmaceutical companies to develop tests for HIV. This represented an enormous potential to make money, as there was a very large market for the tests. The availability of specific diagnostic tests in more recent times has enabled each single blood donation to be tested in

the laboratory before acceptance for any further use either for transfusion or production of Factor 8.

30. I knew that some American companies attempted to make artificial blood in order to avoid the risk of contamination altogether. Due to the commercially sensitive nature of these projects I was not told any specific details but I was aware that these products were being researched but never came to fruition.

Some Unanswered Questions

31. While these events occurred nearly 50 years ago there are many unanswered questions in my mind which have worried me over the time.

32. When the decision to purchase products from the US was made what conditions were agreed in the selection of the donor population for the blood in the US to be used to supply the UK needs.

33. What tests were agreed to ensure the suitability of the donors and their healthy status. If conditions were agreed is there documentation to support monitoring or infrequent examinations of compliance to the agreed conditions.

34. At the time of the decision there was a prominent medically qualified politician (Dr.D.Owen) either in the Government or in the Opposition who should have rigorously opposed the decision. What advice was given?

35. Because there were different groups collecting and processing blood in the US there are probably vast differences in the incidents of resulting problems depending on where and how the original blood supply had been collected and processed.

36. When clinical problems were first recognised with Factor 8 materials from the US what steps were taken to check on the donor population and the company records of the supplier?

37. Did different blood collection organisations contribute blood or blood products to the materials supplied to the UK? If this happened it could partly explain differences and variation of products supplied to the UK.

38. When clinical problems appeared with the materials from the US were any suggestions made to finance the production from UK donated blood through investment in the Regional Transfusion units in the country.

39. While the medical directors in public health struggled to interpret the clinical problems with the different batches of Factor 8 being used clinically it would have been expected that frequent inspections and contacts would be in operation with the suppliers in the US to try to alleviate the clinical problems arising from the initial blood collections and subsequent pooling of blood. What inspections of the supplier(s) were made and certified?

Statement of Truth

I believe that the facts stated in this witness statement are true.

Signed GRO-C

Dated 5th March 2019