CASE AUTH/2831/4/16

VOLUNTARY ADMISSION FROM CELGENE

Meetings organised by representatives

Celgene voluntarily admitted following a preliminary investigation a number of breaches of the Code with regard to two promotional meetings for Otezla (apremilast). Otezla was indicated for the treatment of moderate to severe chronic plaque psoriasis in adult patients who failed to respond to or who had a contraindication to, or were intolerant to other systemic therapy including cyclosporine, methotrexate or psoralen and ultraviolet-A light (PUVA). Otezla was also indicated in the treatment of psoriatic arthritis.

As Paragraph 5.6 of the Constitution and Procedure required the Director to treat a voluntary admission as a complaint, the matter was taken up with Celgene.

Celgene stated that the meetings at issue were organized by Celgene representatives with invitations emailed by a third party aesthetics company to its database. The first meeting took place in November 2015, and the second, due to take place in March 2016, at the same venue, was cancelled as soon as the matter came to Celgene's attention. The company had been informed by the aesthetics company that up to 50% of the recipients might not be health professionals as defined in the Code.

The March meeting was initiated by two key account managers (KAMs) from Celgene's immunology and inflammation business unit. The meeting 'An Evening on Psoriasis for the Private Dermatologist', had been developed as an educational meeting with three consultant dermatologists speaking on key clinical aspects of psoriasis including treatment options. The real world clinical experience of Otezla gained since launch formed a part of the meeting agenda.

Celgene stated that it had limited experience in communicating with dermatologists working outside the NHS. The KAMs seemed to have decided, therefore, to engage the third party aesthetics company to reach appropriate dermatologists with private practices who might wish to attend promotional meetings about Otezla. The third party company was involved in aesthetic dermatology and predominantly worked with dermatologists, aesthetic practitioners (non GMC registered dermatology specialists) and beauty salon therapists. In addition, it supplied certain non-prescription skincare products to registered aesthetic practitioners. Celgene understood that the third party had developed its database of customers predominantly through voluntary signing up at trade meetings and this gave it permission to contact those customers.

It seemed that the KAMs had an informal oral agreement with the aesthetics company such that it would invite its customers to attend the Celgene-sponsored meeting.

The meeting and associated materials had been certified. It seemed, however, that the invitation had been sent to the aesthetics company before it had been certified. In addition, the aesthetics company removed the adverse event reporting statement and black triangle from the prescribing information without reference to Celgene.

The invitation was emailed on 2 and 18 March 2016 to all of the aesthetics company's customers who appeared on its electronic database. Celgene was working to identify how many of these recipients were not health professionals; the aesthetics company had estimated that the proportion might be up to 50%.

Celgene stated that its investigation revealed that the same KAMs had similarly used the aesthetics company to invite dermatologists to attend the meeting in November 2015. Celgene assumed that some of the recipients of the emailed invitation would not have been health professionals. On that occasion the invitation and associated meeting materials were certified. That invitation was also modified by the aesthetics company before sending with the result that the prescribing information was removed. Again these changes were made without reference to Celgene. There was no written agreement in place to define the services to be provided by the aesthetics company.

Records showed that there were 13 attendees at the November 2015 meeting in addition to three speakers (consultant dermatologists), the two Celgene KAMs and representatives of the aesthetics company. The attendees included three dermatologists, one rheumatologist, four clinic directors, one GP, two dentists, one MSc student, and a theatre manager. Email exchanges suggested that the aesthetics company provided attendees with pens, product information and samples of their skincare products which were of no monetary value to the aesthetics company. No promotional aids or samples of Celgene products were distributed by the Celgene KAMs.

Celgene listed planned corrective and preventative actions and submitted that it was greatly concerned by this matter and remained committed to ensuring that all its employees operated within the Code at all times.

The response from Celgene is given below which includes details following further investigation.

The Panel noted that mid-2015, Celgene decided to engage with private practice in a particular area but that it had little experience in communicating with dermatologists working outside the NHS.

The Panel assumed that as a result of the decision to target private practice, the two meetings at issue were planned jointly by local field-based staff and the third party aesthetics company. An initial planning meeting between one of the KAMs and the aesthetics company took place in September 2015. An email to the aesthetics company stated 'I'm not sure this kind of thing has ever been done before …'. The email also referred to using the aesthetics company's contacts to 'secure a quality audience'. That email was copied to the other KAM and to his/her first- and second-line managers. It was thus clear from the outset that senior staff within Celgene knew that the KAM was proposing a 'unique collaborative venture' and intended to invite contacts of the aesthetics company. The Panel considered that the email should have prompted mangers to urgently and proactively investigate the proposed arrangements to ensure compliance with the Code. In the Panel's view, to know about the proposals but fail to guide more junior staff in an activity with which the company was unfamiliar, particularly when those staff appeared to be engaging a third party provider with whom Celgene had not worked before, was extremely poor.

The Panel considered that the lack of guidance was further compounded by the fact that although the meetings approval form for the November meeting stated that the aesthetics company would 'help drive recruitment', none of the signatories thought to question what that meant or would entail. The company acknowledged that this was careless.

The collaboration between Celgene and the aesthetics company was informal and appeared to have been wholly arranged by junior staff. There was no written agreement detailing the arrangements and the responsibilities of the parties. The relationship between Celgene and the aesthetics company was described in various ways in the invitations.

The Panel noted that following approval of the invitation, which included the agenda, for the November meeting, the KAM responsible for the meeting attached a copy of the approved invitation to an email addressed to the aesthetics company but made no reference to the utmost importance of using that material as approved. Indeed the KAM stated 'I also had a play with a word document which you might want to use as an agenda?' It was that document which the aesthetics company emailed out. Thus the invitation sent out by the aesthetics company, for a promotional meeting, had not been certified and a breach of the Code was ruled. An indirect reference to Otezla and that, together with the fact that the meeting would promote Otezla, meant that prescribing information was required. Thus a breach of the Code was ruled. Another breach was ruled as there was no statement regarding the reporting of adverse events.

With regard to the invitation for the November meeting sent by Celgene, the Panel noted that although the electronic version was certified in its final form, the printed version, whilst identical to the electronic version, was not checked and signed in its final form until after it was posted. A breach of the Code was ruled.

The Panel noted that the meeting approval form for the November meeting stated that the aesthetics company would 'help drive the recruitment for the meeting'. In that regard the Panel noted its concerns above that Celgene had not appeared to do anything to find out what that meant. The company had not determined exactly who would be invited to the meeting by the aesthetics company which, it could be assumed, would also want some benefit out of the meeting. This was particularly important given that the products marketed by the aesthetics company were all cosmetics and so its customer base was different to and broader than health professionals or other relevant decision makers as defined in the Code.

The Panel noted Celgene's submission that the aesthetics company had emailed an invitation to the November meeting to its database of 3,000 customers of which only approximately 50% were health professionals. In that regard the Panel was concerned to note that the professional status of the customers on the aesthetics company database had never been discussed. The document provided to the aesthetics company did not refer to Otezla directly but it did refer to recent advances in treating psoriasis and question whether oral therapy was a new hope. The Panel noted that Otezla was not the only oral therapy for the treatment of psoriasis. The invitation referred to Celgene as described above. Although the document had been sent to those who were not health professionals, on balance the Panel did not consider that its content was such that Otezla had been promoted to the public and ruled no breach of the Code.

The Panel noted that the aesthetics company provided delegates with bags bearing the logo of one of its products. Each bag contained a number of sample packs of skin products marketed by the aesthetics company. Although none of the sample packs provided were available as a retail product, and each only had a nominal value to the company, they would nonetheless, have a perceived value to the recipients. Based on the retail cost of the products provided, the Panel calculated that the recipients had received just under £19 worth of skin care products together with a pen bearing the logo of one of the products and a large, silver, branded bag (approximate cost, £1.30) in which to put the samples, pen (23p) and promotional literature. The Panel considered that the provision of these items meant that attendees had been given gifts in connection with the promotion of Otezla and a breach of the Code was ruled.

The Panel considered that the KAMs responsible for the meeting should have stopped the distribution of the skin care samples, pens and bags. To not have done, having apparently told the aesthetics

company that samples could not be distributed but knowing that they had been sent to the meeting venue, was poor. Further, the Panel noted with concern Celgene's submission that the KAMs and their manager saw the bags but did not look into them or take one; they all assumed that the bags contained only promotional literature for the aesthetics company's products and pens – despite previous discussions. In the Panel's view the KAMs and their manager were likely to have seen delegates looking at the contents of the bag and queried why they did not identify the bags themselves as being in breach of the Code.

With regard to the March meeting, the Panel again noted Celgene's submission that the email invitation for the March 2016 meeting was certified before use. As with the November invitation, the printed version, whilst identical to the electronic version, was not checked and signed in its final form until after it was posted. The Panel ruled a breach of the Code in that regard.

The Panel noted Celgene's submission that one of the KAMs, who had worked with a design agency to develop the invitation to the meeting, had been sent an electronic copy of the final document which he/she sent to his/her peers one of which was the other KAM who then forwarded it to the aesthetics company. That document had not been certified. The aesthetics company then, without consulting Celgene, cut and pasted the invitation into the body of an email and in doing so removed the information on adverse event reporting. The Panel thus ruled a breach of the Code. The invitation sent by the aesthetics company had not been certified and a breach was ruled. The Panel ruled no breach of the Code as prescribing information had been included.

The Panel noted that although the meeting had been cancelled, the aesthetics company had, as before, emailed the invitation to 3,000 of its customers of which, according to Celgene, only approximately 50% were health professionals. The Panel noted that one recipient was one of Celgene's own staff who was not a health professional but who in a previous role, had signed up to receive mailings from the aesthetics company. The Panel considered that a member of the public had thus received promotional material about Otezla, a prescription only medicine and a breach of the Code was ruled.

The Panel was concerned about the activities of the KAMs and their manager as outlined above. In the Panel's view almost every aspect of the arrangements for the meetings at issue either showed a flagrant disregard for the requirements of the Code or a profound lack of knowledge. The Panel ruled a breach of the Code as the KAMs and their manager had failed to maintain a high standard of ethical conduct in the discharge of their duties and had not complied with the requirements of the Code.

The Panel noted its comments and rulings above and ruled a breach of the Code as the company had failed to maintain high standards.

The Panel considered that overall the conduct of many employees had fallen short of competent care leading to multiple breaches of the Code. The Panel considered that the company's conduct was such as to bring discredit upon, or reduce confidence in, the pharmaceutical industry. A breach of Clause 2 was ruled.

The Panel was extremely concerned that this case highlighted multiple and serious compliance failings at all levels including the actions of first and second-line field staff, the failure to properly manage those staff, use of uncertified materials, non-adherence to company standard operating procedures (SOPs), lack of action by those approving meetings and the extremely informal arrangements for the engagement of third parties. In the Panel's view there appeared to be a laissez-faire or reckless attitude to compliance by many within Celgene and so it decided, in accordance with Paragraph 8.2 of the Constitution and Procedure, to report Celgene to the Appeal Board for it to decide whether further sanctions were required.

Celgene submitted that it took compliance very seriously and was committed to the highest standards of compliance and ethical conduct. Celgene accepted that there were failings in its management of the meetings and associated materials, and that the company's procedures and execution should be improved. Nevertheless, Celgene submitted that what had occurred did not represent the compliance culture at Celgene. The language used by the Panel to describe Celgene's employees' intentions was not supported by any of the evidence before it.

Upon discovery, Celgene immediately conducted a thorough investigation and found no evidence to suggest deliberate non compliance with the Code or a reckless attitude towards it. On the contrary, all of those involved were genuinely dismayed when they discovered the consequences of their actions.

Celgene had urgently addressed the certification failures and submitted that its systems were now robust. The other shortcomings that had resulted in multiple breaches in this case had been addressed within a comprehensive corrective and preventative action (CAPA) plan.

In summary, although there were lapses, Celgene submitted that the facts did not show recklessness or a pervasive 'laissez-faire' attitude toward compliance. To the contrary, as soon as this matter came to Celgene's attention, it immediately investigated and concluded that a voluntary admission to the PMCPA would be consistent with the expectation placed on ABPI member companies, in keeping with the spirit of the Code.

The Appeal Board noted that this case had arisen from a voluntary admission and it was grateful for the company's apology; the company had started to implement a CAPA plan. The Appeal Board further noted Celgene's submission that in early 2015 dermatology had taken the company into a new therapeutic area and this had been

accompanied by a rapid increase in the number of employees and commercial activity. The Appeal Board nonetheless noted that very basic mistakes had been made by a number of staff including senior managers. The Appeal Board noted that Celgene should have immediately recognised that there would be a number of Code and compliance issues to address. What should have been obvious and potential problems appeared to have been ignored and mistakes had been made at all levels within the company; in that regard the Appeal Board was concerned about Celgene's supervision of its staff and oversight of the meetings at issue.

Despite Celgene's quick reaction once it was aware of the matters at issue and its voluntary admission, the Appeal Board decided, given its serious concerns noted above, to require in accordance with Paragraph 11.3 of the Constitution and Procedure, an audit of Celgene's procedures in relation to the Code.

Celgene was audited in October 2016 and on receipt of the audit report in November the Appeal Board noted Celgene's acknowledgement that leadership oversight had been deficient and that staff had been given too much autonomy. The Appeal Board was concerned about the poor quality of training. The culture of trust and empowerment was not supported by appropriate checks and balances. It appeared that the importance and significance of the compliance challenges were down played. The company appeared not to have a positive, pro-active culture of compliance.

On receipt of further information in December 2016, and on noting key dates in 2017 for compliance objectives etc, the Appeal Board decided that the company should be re-audited in May 2017. On receipt of the report for the re-audit the Appeal Board would decide whether further sanctions were necessary.

Celgene was re-audited in May 2017 and on receipt of the re-audit report in June the Appeal Board noted that although some progress had been made the report highlighted a number of issues and concerns to be addressed.

On receipt of further information in July 2017 regarding, *inter alia*, Celgene's compliance plan and despite requesting further updated responses, the Appeal Board decided that the company should be re-audited in January 2018. On receipt of the report for the re-audit the Appeal Board would decide whether further sanctions were necessary.
Celgene was re-audited in February 2018 and on receipt of the report the Appeal Board considered that Celgene had made progress. The Appeal Board was very concerned about some of the issues being found however it noted that Celgene UK was proactively dealing with issues as they arose.
The Appeal Board noted that Celgene had a comprehensive compliance action plan for 2018 to address recommendations from the re-audit which stated that progress had already been made. The global company appeared not to be checking with Celgene UK regarding meetings and activities despite the SOPs requirement that it should.
The Appeal Board considered that, on the basis that issues continued to be addressed, the compliance plan followed, and all staff continued to take a proactive, positive and personal role in compliance, no further action was required.

Celgene Limited voluntarily admitted a number of breaches of the Code with regard to two promotional meetings for Otezla (apremilast). Otezla was an oral prescription only medicine indicated for the treatment of moderate to severe chronic plaque psoriasis in adult patients who failed to respond to or who had a contraindication to, or were intolerant to other systemic therapy including cyclosporine, methotrexate or psoralen and ultraviolet-A light (PUVA). Otezla was also indicated in the treatment of psoriatic arthritis.

As Paragraph 5.6 of the Constitution and Procedure required the Director to treat a voluntary admission as a complaint, the matter was taken up with Celgene.

VOLUNTARY ADMISSION

Celgene stated that it might have breached Clauses 4.1, 4.10, 15.2 and 26.1 of the 2015 and 2016 Codes. Celgene emphasized that it was still at an early stage of its investigation: it had yet to interview all of the employees who might be concerned in the matter as some were absent.

Celgene explained that invitations for two Otezla promotional meetings organized by Celgene representatives were emailed by a third party aesthetics company, to its database of customers. The first meeting took place in November 2015 and the second had been due to take place in March 2016, at the same venue, but was cancelled as soon as the matter came to Celgene's attention. The company had been informed by the third party aesthetics company that up to 50% of the recipients might not be health professionals as defined in the Code.

March 2016
A member of the Celgene field medical team reported that an invitation to the March meeting had been sent to his/her personal email address. Otezla was a prescription only medicine and so realizing that he/she should not have received this invitation in his/her personal capacity as he/she was not a health professional, the employee immediately notified the Celgene compliance team, which opened an investigation.

The meeting at issue was initiated by two key account managers (KAMs) from Celgene's immunology and inflammation business unit. The meeting 'An Evening on Psoriasis for the Private Dermatologist', had been developed as an educational meeting on key aspects of psoriasis. Three consultant dermatologists were contracted by Celgene to speak on key clinical aspects of psoriasis including treatment options. The real world clinical experience of Otezla gained since launch formed a part of the meeting agenda.

Celgene stated that it had limited experience in communicating with dermatologists working outside the NHS. The KAMs seemed to have decided, therefore, to engage the third party aesthetics company to reach appropriate dermatologists with private practices who might wish to attend promotional meetings about Otezla. The third party company was involved in aesthetic dermatology practices such as dermal fillers, Botox and dermal peels and predominantly worked with dermatologists, aesthetic practitioners (non GMC registered dermatology specialists), and beauty salon therapists. In addition, it supplied certain non-prescription skincare products to registered aesthetic practitioners. Celgene understood that the third party had developed its database of customers predominantly through voluntary signing up at trade meetings and this gave it permission to contact those customers.

It seemed that the KAMs had an informal oral agreement with the aesthetics company such that it would invite its customers to attend the Celgene-sponsored meeting. No written agreement was drawn up and Celgene's investigation had not revealed any transfer of funds between the two parties.

The meeting and associated materials had been certified, as required by Celgene's internal standard operating procedure (SOP). It seemed, however, that the invitation had been sent to the aesthetics company before it had been certified. In addition, the aesthetics company removed the adverse event reporting statement and black triangle from the prescribing information without reference to anyone at Celgene. Celgene expected the invitations to only be used in the approved form and distributed though approved means. Those that were sent out by Celgene complied with the relevant requirements.

The invitation was emailed twice in early March 2016 to all of the aesthetics company's customers who appeared on its electronic database. Details of the number of customers who received and opened the email invitation were provided. Celgene was working to identify how many of these recipients were not health professionals; the aesthetics company had estimated that the proportion might be up to 50%.

November 2015

Celgene stated that its investigation revealed that the same KAMs had similarly used the aesthetics company to invite dermatologists to attend the meeting in November 2015 which did take place. Celgene assumed that some of the recipients of the emailed invitation would not have been health professionals. On that occasion the invitation and associated meeting materials were certified in accordance with Celgene's SOP. That invitation was also modified by the aesthetics company before sending with the result that the prescribing information was removed. Again these changes were made without reference to Celgene; the company was attempting to clarify this point in relation to both meetings as its investigation proceeded. There was no written agreement in place to define the services to be provided by the aesthetics company.

Records showed that there were 13 attendees at the November 2015 meeting in addition to three speakers (consultant dermatologists), the two Celgene KAMs and representatives of the aesthetics company. The attendees included three dermatologists, one rheumatologist, four clinic directors, one GP, two dentists, one MSc student, and a theatre manager. Email exchanges suggested that the aesthetics company provided attendees with gifts and samples of products that it sold. Celgene has been informed by the aesthetics company that the gifts provided included pens, product information and small sample tubes (4x 2g). These were of no monetary value to the aesthetics company. No promotional aids or samples of Celgene products were distributed by the Celgene KAMs.

Celgene stressed that its investigation was at a preliminary stage and was continuing.

Corrective actions

Celgene stated that it had cancelled the March 2016 meeting, instructed the aesthetics company not to send any more communications about Celgene meetings or other activities and asked it to forward any emails about the March meeting to Celgene. It had also withdrawn all relevant meeting materials and disciplinary procedures were ongoing.

Preventative actions

Celgene submitted that by 30 April 2016 it would have reviewed all meetings organized by the staff involved, briefed field-based staff with regard to the need for signed written agreements to be in place with all third parties providing services for or on behalf of Celgene and fully reviewing distribution lists prior to mailing of meeting invitations. It would also have completed an investigation of training records of all field-based commercial staff and provided refresher training for all field-based staff on the Code, the Celgene Meetings SOP and email policy. Finally it would have reviewed all written procedures to ensure sufficient clarity on compliance with the Code. Updates and training would be provided as identified and needed.

Celgene stated that it was greatly concerned by this matter and remained committed to ensuring that all its employees operated within the framework of the Code at all times.

Celgene was asked to provide further comments in relation to the requirements of Clauses 4.1, 4.10, 15.2 and 26.1 of the 2015 Code and in addition comments in relation to Clauses 2, 9.1, 14.1 and 18.1 of the 2015 Code.

RESPONSE

Celgene explained that in mid-2015 it decided to engage with dermatologists in private practice in a particular area. With the approval of his/her

manager, one of the KAMs introduced his/her colleague, the KAM responsible for relationships with doctors in that area, to the aesthetics company. The aesthetics company's products were all regulated as cosmetics rather than medicines. The KAM and his/her contact at the aesthetics company had previously worked together at a pharmaceutical company and had both passed the ABPI examination for representatives. The KAM suggested to his/her manager that it would be worth exploring whether the aesthetics company could help Celgene forge links with dermatologists working in private healthcare.

November 2015 meeting

The two Celgene KAMs and the aesthetics company together planned a joint promotional meeting which Celgene funded. The KAM responsible submitted all of the meeting arrangements (venue, speakers, speaker briefs, honoraria, catering) to Celgene's electronic meetings approval system (FAST) together with the agenda and the invitation. The KAM described the collaboration with the aesthetics company in the submission in general terms. The collaboration was also described on the invitation submitted for approval, which carried Celgene's logo and the aesthetics company's logo in equal prominence. The foot of the invitation stated 'This meeting is organized and funded by Celgene Limited in association with [the aesthetics company]'.

The meeting arrangements, the agenda and the invitation were approved by the KAM's manager and electronically certified by Celgene's signatories. Copies of the certificates were provided. The meeting title was 'An evening on psoriasis for the private dermatologist'. Two lectures were planned entitled 'Recent Advances in Treating Psoriasis - Oral therapy a new hope?' and 'Delivering Skin Fitness'. The speakers [and the chairman] were NHS dermatology consultants, at least two of whom maintained private practices local to the meeting venue.

Celgene posted, handed or emailed the invitation to doctors working in the dermatology field who it considered might be interested in attending. Celgene also sent the invitation to the aesthetics company, with the intention that it would use it to invite health professionals working in the private dermatology sector. The Celgene KAMs believed that this had been made clear in informal discussions about the meeting arrangements. It appeared, however, that the aesthetics company emailed the agenda for the meeting, rather than the certified invitation, to its database of around 3,000 customers. The agenda did not refer to Otezla and no prescribing information was attached.

Celgene was informed during the course of this investigation that the aesthetics company maintained an electronic database of its customers and that about half of them were doctors, nurses and dentists, the remainder were likely to be qualified beauty therapists owning, managing or working in private skin clinics. The aesthetics company's database had largely been built up from contacts made at trade exhibitions; the company had explained that it had many UK customers in the private health sector and tended to market its products to private skin and beauty clinics where the public could buy them only on the recommendation of the practitioners in those clinics. The aesthetics company did not routinely sell products directly to the public and in order to buy its products, a purchaser would generally be required to show that they were either a doctor, a dentist, a nurse or a qualified beauty therapist.

When the meeting arrangements were being made neither the Celgene KAMs nor anyone else at Celgene knew about the nature of the database or that the invitation would be addressed to people on the database. Celgene's intention, as reflected in the approval system, was to only invite consultant dermatologists and pharmacists.

Shortly before the meeting, the aesthetics company emailed the Celgene KAMs to state that it would bring bags, literature, pens and promotional samples of its products used for the relief of certain skin symptoms to the meeting. The KAM responsible for the meeting recalled a subsequent conversation with the aesthetics company in which he/she explicitly stated that no samples should be brought to the meetings. There was no written record to this effect.

Around 20 people attended the meeting including both KAMs, their manager and representatives from the aesthetics company. The attendance list kept by Celgene listed 13 names. In the course of the investigation Celgene verified that all except three of the 13 attendees were doctors, dentists or nurses. The KAM understood that the three other attendees worked in a business role in private skin clinics.

The aesthetics company left bags bearing the logo of one of its products on the chairs at the end of the meeting. The bags were promotional and cost around £1.30 to produce. Each bag contained:

- 4 x 2g sample sachets of a skin product with a wholesale price of 50p each. This 2g size was not available as a retail product.
- 1 x 10g trial size tube of another skin product. The 10g size was not available as a retail product. 100g of the product retailed at £35.95
- The aesthetics company's brochure.
- A pen costing approximately 23p, bearing the logo for one of the aesthetics company's products.

In response to a request for further information about the content of the bags, Celgene submitted that each contained a brochure, a pen and identified the samples:

- 2 x 2ml sample sachets (30ml had a recommended retail price (rrp) £77.52)
- 2 x 2g sample sachets (50g, rrp £63)
- 1 x 10g sample (100g, rrp £35.95).

The KAMs and their manager saw the bags but did not look into them or take one home; they all assumed that the bags contained only promotional pens and literature for the aesthetics company's products.

The meeting was well received and the KAMs, with the approval of their manager, decided to arrange another in collaboration with the aesthetics company. The KAMs and their manager did not, at the time, identify any concerns regarding the relevance of participants at the meeting.

Planned March 2016 meeting

The meeting invitation was submitted into the ZINC system which Celgene used for the approval of promotional materials whilst the meeting arrangements were submitted through FAST, Celgene's e-approval system for meetings arranged by KAMs. The investigation revealed that one of the final approvers in the FAST system for this meeting was not a final signatory. None of the materials approved by this person for this meeting were issued, and of course the meeting did not go ahead.

Neither the FAST nor the ZINC submissions referred to the collaboration and the invitation stated that 'This meeting is funded and organized by Celgene Limited'.

The title of the meeting was 'An Evening for the Private and NHS dermatologist'. The final invitation was approved and certified electronically on 29 February 2016. The printed version was certified on 11 March 2016. Celgene posted or emailed the invitation to the same list of dermatologists to whom it had sent the first invitation.

Celgene stated its investigation revealed that, contrary to its SOP, the invitation seemed to have been sent by one of the KAMs to the aesthetics company on 26 February 2016, before the second (non-medical signatory) had reviewed it. This invitation was, however, identical to the version that was subsequently certified. The aesthetics company emailed the KAMs to ask 'OK to send it to the database?'. The KAMs replied that it was and did not anticipate the possibility that the invitation would be sent to people other than health professionals.

Celgene explained that the aesthetics company was unable to attach the pdf version of the certified invitation to an email and so without consulting Celgene, cut and pasted the invitation into the body of the email. The cut and paste removed the black outlined box at the bottom of the invitation containing information on adverse event reporting.

One of Celgene's regional medical liaisons (RMLs) notified the compliance director on Friday 18 March 2016 that an invitation from the aesthetics company had been sent to his/her personal email address. In a previous scientific role, the RML had attended trade exhibitions where the aesthetics company had exhibited and he/she had signed up to receive mailings from it.

The following Monday a preliminary investigation revealed information that raised concerns regarding to whom the invitations had been sent. Celgene immediately cancelled the meeting and withdrew the printed materials emailing the relevant field force. Celgene also instructed the aesthetics company to notify the two of its customers who had accepted the invitation that the meeting was cancelled. Celgene had written confirmation that the aesthetics company had emailed these two people cancelling the meeting.

Celgene submitted that the invitations which it approved and distributed for both meetings complied with Clause 4.1. The invitation sent out by the aesthetics company in March 2016 also complied with Clause 4.1. The invitation sent out by the aesthetics company for the November 2015 meeting, whilst not referring to Otezla by name, did not contain the prescribing information listed in Clause 4.2 of the Code.

Celgene submitted that the invitations which it approved and distributed for both meetings complied with Clause 4.10. The invitation sent out by the aesthetics company for the November 2015 meeting, whilst not referring to any medicine by name, did not contain the statement on adverse event reporting required by Clause 4.10. The invitation sent out by the aesthetics company in March 2016 did not contain the statement on adverse events required by Clause 4.10.

The invitation posted and emailed by Celgene for the November 2015 meeting was issued in its final form. It was certified electronically by Celgene's two signatories. However, the printed version was not separately certified.

The invitation posted and emailed by Celgene for the March 2016 meeting was certified electronically by Celgene's two signatories before it was emailed by Celgene. The printed version, which was identical to the electronic version, was separately certified on 11 March 2016, after it had been posted.

Neither of the invitations sent out by the aesthetics company for the meetings in November 2015 and March 2016 were certified by Celgene. The aesthetics company appeared to have inadvertently altered the materials after they had been electronically certified by Celgene, not appreciating the importance of maintaining the documents in the exact form in which they had been received.

Celgene regretfully accepted that its representatives had failed to comply with all relevant requirements of the Code. Failing to check the nature of the aesthetics company's database was clearly careless. However, neither of the KAMs, nor indeed anyone else at Celgene, ever thought that anyone other than appropriate health professionals or other relevant decision makers would receive the invitations. In the absence of any indication or evidence that there were any representations made that were intentionally misleading, inaccurate, disparaging, in poor taste or outside the terms of Otezla's marketing authorization, Celgene would not characterize the representatives' conduct as unethical.

The meeting in November 2015 was a jointly hosted promotional meeting by Celgene and the aesthetics company. The aesthetics company gave promotional samples of its products to the attendees, most of whom were already its customers. The samples were relevant to the practices of the attendees and

were intended to provide them with an opportunity to evaluate the products for recommendation to their patients and customers.

The KAMs stated that they were unaware that the aesthetics company had distributed samples of its products. One of the KAMs also stated that he/she expressly asked the company not to do so. There was no indication that the samples were provided as an inducement to prescribe, administer, recommend, buy or sell any medicine, but rather to provide the aesthetics company's contacts with an opportunity to evaluate the products for recommendation to their patients and customers.

The invitation sent out by the aesthetics company for the November meeting consisted only of the meeting agenda, listing the titles of the lectures and bearing the logos of Celgene and of the aesthetics company.

The invitation sent out by the aesthetics company for the March 2016 meeting referred to Otezla by name and included the claim: '… the potential place of Otezla (apremilast) in the treatment of psoriasis'.

Both invitations were sent to the people whose names appeared in the aesthetics company's database. Celgene was informed by the aesthetics company that about half of these were health professionals as defined by the Code. A significant proportion of the remainder might be owners or business managers of clinics where patients with skin conditions were treated.

Celgene accepted that the aesthetics company's database should not have been used to send out any invitations as Celgene could not make its own checks on the nature of the recipients. This was especially so given that Celgene intended to only invite health professionals involved in the treatment of psoriasis patients.

Celgene submitted that it operated within a comprehensive compliance structure comprising policies, SOPs and electronic tools such as ZINC and FAST. All of Celgene's relevant managers and field force had been trained on the Code, and this training was regularly updated. Celgene regretfully conceded that, despite this, it had failed to maintain its own high standards in the organisation and execution of these two meetings. An outline of the corrective and remedial measures that Celgene had taken and intended to implement rapidly to ensure that high standards were maintained in the future was provided.

Celgene stated that all the corrective actions outlined above were completed by 31 March:

1 Cancellation of meeting due to be held in March 2016. Celgene emailed a cancellation notice to all those whom it had invited and asked the aesthetics company to notify the two people who had replied directly to its mailing that the meeting was cancelled.
2 Aesthetics company instructed not to send any more communications about Celgene meetings or other activities. This was orally agreed on 23 March 2016 and confirmed via review and agreement of meeting minutes.
3 Emails received by the aesthetics company about the March meeting to be forwarded to Celgene. This was orally agreed on 23 March 2016 and confirmed via review and agreement of meeting minutes. No such emails were forthcoming after 23 March.
4 Withdrawal of all relevant meeting materials. Celgene also conducted a formal withdrawal of materials associated with this meeting in accordance with written procedures. Celgene provided a copy of this withdrawal notification and confirmation of successful withdrawal completion.
5 Disciplinary proceedings were ongoing.

The preventative actions as defined above to be completed by 30 April 2016:

1 Review all meetings organised by those involved in the two meetings:

Celgene stated that a detailed review of the records of the 9 relevant meetings showed that no others were conducted jointly with other companies, or that anyone other than health professionals were invited to attend (or attended) them. There were 3 instances where the final approval of the meeting and associated materials had been given by a medical final signatory plus a person who was not a final signatory and one instance where a meeting invitation was generated but not certified in its final physical form. Certification of all slides sets used at these meetings had not been robustly performed. There were important lessons learned from these findings, and remedial action had already ensured that only appropriate final signatories could be final approvers. Training on the relevant updated Celgene SOPs would address the need for robust certification of materials.

2 Clear briefing to all Celgene field-based staff:

i) A reminder that signed written agreements were to be in place with all third parties providing services for, or on behalf of, Celgene. A certified briefing had been distributed to all staff who might interact with third party providers or materials or activities governed by the Code which included all field-based staff (commercial and medical), national sales managers, commercial operations, scientific and medical advisors, market research staff, external affairs teams, and product managers. This information would be incorporated in the imminent update of Code-related SOPs (see point 5 below).

ii) Full review of distribution lists prior to mailings of meeting invitations. A briefing entitled 'Dissemination of promotional material via email' had been certified. After further consideration during the preparation of this briefing, the scope was widened to include all promotional material, not just emailed meeting invitations. This briefing had been distributed to all staff who might email promotional material, including all field-based staff (commercial and medical), national sales

managers, commercial operations, scientific and medical advisors, market research staff, external affairs teams, and product managers. This information would be incorporated in the imminent update of Code-related SOPs (see point 5 below).

3 Investigate training records of all field-based commercial staff:

Following its voluntary admission, Celgene had widened the scope of this preventative action to include review of the training records of all staff involved in the generation, review and approval of promotional materials and meetings. According to Celgene procedures, training was assigned in its global electronic training tool and delivered either online or via an instructor-led course. All assigned training was tracked on a monthly basis and any non-compliance was routinely flagged to relevant line managers by the chief compliance officer. The UK affiliate training compliance rate was 81% training complete as of 31 March 2016. The training assignments for each job role had been evaluated. As a result of this review, the processes for developing and delivering training would be updated by the end of June 2016, including reinforcing the requirement for a robust training programme for all staff.

4 Refresher training for all field-based staff:

i) The Code – When Celgene identified this specific non-compliance, a project was already ongoing to deliver on-line Code training to head-office and field-based staff. This training was rolled-out on 30 March, and was closely tracked to ensure it was completed by end April 2016. Additionally more detailed role-specific Code on-line training was scheduled for completion in May.

ii) The Celgene meeting SOP – this SOP had been reviewed and was being updated. Once the final version was signed, it would be trained to everyone involved in the organisation, approval and delivery of meetings.

iii) Celgene email policy – This action had been appropriately addressed through the action taken in 2ii above.

5 Review of all written procedures to ensure sufficient clarity on compliance with the Code.

Updates and training to be provided as identified and needed. The SOPs which addressed the generation and approval of materials and approval of meetings and subsistence had been reviewed in detail by experienced personnel. Changes were currently being incorporated, and when formally signed off, these SOPs would be trained to all relevant personnel before end April 2016.

Celgene submitted that it had an excellent record of compliance and had not had to answer any complaints to the PMCPA since it was established in 2006. [Post Consideration note: Celgene had received a complaint where no breach of the Code was ruled Case AUTH/2454/11/11] Celgene's failures on this isolated occasion were inadvertent and related to involvement with a third party with whom it had not worked before. Celgene hoped that the promotional activities that were the subject of its voluntary admission would not bring discredit upon, or reduce confidence in, the pharmaceutical industry. Celgene immediately made its best efforts to put remedial and preventative actions in place once the failures in its processes came to light.

Celgene submitted that its investigation had provided a salutary lesson in the importance of constant vigilance in the operation of compliance checks and controls even where, as was clear here, staff had acted with the best intentions to uphold the values embodied by the Code.

In response to a request for further information Celgene submitted that it was not its practice to appoint third parties on the basis of an informal verbal agreement. Appropriate preventative actions would be implemented to address that point.

An introduction to the aesthetics company was made via one of the KAMs who had previously worked with an employee of the aesthetics company in another pharmaceutical company. An initial meeting took place to discuss the potential to collaborate in a meeting, where the aesthetics company's role would be to invite private dermatologists with whom it had a relationship. An email from the KAM to the aesthetics company dated 7 September 2015, documented that a meeting took place in early September, and referred to plans for an evening meeting as 'an approach to engaging with the [stated area] private dermatologists'. This email set out that Celgene would organise the venue and contact a potential chair and one potential speaker for the meeting, and the aesthetics company was asked to liaise with a second potential speaker. A proposed agenda was included, and the email concluded with a statement, 'between us all we can put on a really interesting and enjoyable meeting and with [the aesthetics company] contacts in the private sector we should secure a quality audience'. This email referenced a planned follow-up meeting on 18 September 2015. No written record of that meeting had been identified.

Celgene submitted that it was not aware of the use of a database for the November meeting. For the March meeting, although emails provided evidence that the KAMs knew about the proposed use of a mailing database, Celgene had discovered no evidence that the professional status of customers on the aesthetics company's database was discussed. Appropriate preventative actions would be implemented to ensure that this did not happen again.

Celgene explained that for the November meeting, the invitation and agenda were internally approved on 14 October 2015, and the KAM responsible for the meeting was notified by the FAST system by automated email on the same day. Following that approval, one KAM emailed the invitation and agenda to the aesthetics company on 20 October and the other KAM also emailed the invitation to the aesthetics company on 22 October. Only the

two KAMs involved in the meeting were included in these email exchanges. There were subsequent email exchanges with the two KAMs indicating that the aesthetics company then used the agenda as an 'invitation' which it emailed on 13 November 2015. The March meeting was approved in the FAST system on 18 February 2016, and the KAM responsible for the meeting was notified by the FAST system by automated email the same day. The meeting invitation was certified electronically in ZINC, with the final certification of the final physical form completed on 11 March 2016. The invitation was sent from the responsible KAM to his/her peers who included the other KAM involved in this meeting on 26 February 2016, and this second KAM forwarded the invitation to the aesthetics company on 26 February 2016 (copy provided). Only the two KAMs involved in the meeting were included in these email exchanges.

Celgene submitted that as per its SOP, Generation and Approval of Quality Materials (UKIR-SOP-COP-001), the originator of an item ensured the ZINC certificate was signed before materials were released noting the additional requirement for a signatory to certify hard copy material in the final form before release.

Meetings and Subsistence (UKIR-SOP-COP-002) required KAM-led speaker meetings (so-called Type B meetings) to be approved in the e-meetings approval system, FAST. The e-meetings approval user guide (UKIR-WP-COP-001) clarified that once a meeting was approved in FAST, the KAM received an email notification and could then send out the invitation and agenda.

Standard invitations for speaker meetings were typically automatically generated using a FAST template. For the March meeting, an agency was engaged to design the invitation which was reviewed and certified in ZINC. In parallel, the KAM worked directly with the design agency to prepare the invitation, and had received an electronic copy of the final invitation directly from the design agency. The invitation was therefore already in his/her possession before its final certification (albeit this version was identical to that which was subsequently certified in ZINC) and was distributed before final certification by the KAM to his peers and line manager, and one of his KAM peers then forwarded this to the aesthetics company.

Celgene provided copies of the emails responding to the aesthetics company's request for permission to send the invitation to its database – 26 February 2016. The emails from Celgene to the aesthetics company were written by the two KAMs organising the meeting, and both copied in the other KAM. No other Celgene employees were included in these email exchanges.

Celgene submitted that in investigatory interviews, the final signatories commented that they did not recall thinking about the meaning of 'drive recruitment'. Neither of the KAMs endorsed that an email should be sent to anyone other than a relevant health professional, and no one at Celgene understood the breadth of the distribution by the aesthetics company.

Celgene explained that the Meetings and Subsistence SOP required signatories to review KAM-led meetings within FAST and approve/reject as appropriate based on Code compliance, and the e-meetings work practice also required commercial and medical final signatories to review the meeting for compliance and quality and to ensure it addressed business needs. In the investigatory interviews with the meeting approvers, they explained that the November meeting approval form (in FAST) did not raise any concerns at the time, and no questions were raised. A copy of the certificate, which was generated in FAST, approving the November 2015 meeting was provided.

Celgene submitted that the three dermatologists and the rheumatologist were invited by Celgene to the November 2015 meeting, and with the exception of the rheumatologist, all of the attendees were also invited by the aesthetics company.

In interviews, the KAMs and their manager, all of whom were at the November meeting, stated that delegates at that meeting were appropriate, being either health professionals or clinic managers fulfilling a similar role to business managers in the NHS. The KAMs and their manager did not observe any behaviour which indicated that some of the delegates were not relevant attendees at the meeting.

The details of the budgeted expenses were entered into FAST by one of the KAMs and approved by his/her line manager and final signatories prior to meeting approval. Actual costs for the meeting were paid by the two KAMs. One paid for the room hire, and the other paid for the subsistence. The expense reports coded the meetings as per internal policy as 'meetings', receipts from the venue were attached. Celgene's policy did not require the meetings attendance sheet or names of individual attendees to be attached to expense reports for such speaker meetings. The attendance sheet was uploaded as required to the FAST meetings approval system after the meeting took place. Relevant expense reports for the November meeting were provided.

Celgene submitted that during the initial investigation into this incident, it was identified from email correspondence that bags might have been distributed at the meeting. Further communication with the aesthetics company confirmed that bags were in fact distributed, and Celgene requested details of the exact contents from the aesthetics company on 24 March 2016. This information was provided and is stated above.

During interviews, the KAMs and their manager stated that they did not see the contents of the bags and did not take one home. The aesthetics company shipped the bags to the venue and put them on the delegates' chairs at the beginning of the meeting.

Celgene provided copies of the following email exchanges which referred to the gifts and samples provided at the November meeting:

- 12 November 2015 from the aesthetics company to the two KAMs asking if the bags could be sent to the meeting venue
- 12 November 2015 from the aesthetics company with KAM in copy describing items to be distributed at November meeting
- 16 November 2015 from the aesthetics company to KAMs discussing the items to be distributed at the November meeting.

The emails from the aesthetics company dated 12 and 16 November described the proposed contents of bags, and queried to whom they could be sent to at the meeting venue. Celgene had not discovered a responding email following these communications. In investigatory interviews, one of the KAMs stated that he/she verbally told the aesthetics company that product samples could not be provided at the meeting.

Celgene submitted that before 1 October 2015, its Meetings and Subsistence SOP did not require speaker slides to be uploaded into FAST for review prior to a meeting. The November meeting was submitted for approval on 18 September and approved on 14 October.

Celgene explained that the slides used by one of the speakers at the November meeting were from a previously certified slide kit. The full slide kit was provided together with the relevant certificate. The selection of slides presented on the evening was not uploaded to FAST or reviewed in advance of the meeting, and there was no certificate for the selection of slides used. In addition, the slides presented by the second speaker were also not uploaded into FAST or reviewed in advance of the meeting, and had no certificate. Both sets of slides used on the evening were provided.

The director and the business development manager from the aesthetics company attended the meeting in November to meet and greet their customers, support the consultant dermatologist and help facilitate the event.

Celgene submitted that both of the KAMs and their manager had passed the ABPI examination, and their certificates were provided together with their training records.

Celgene had a written procedure to review and approve this type of speaker meeting. This procedure was applied for the review of this meeting. However, Celgene had discovered through this incident that it needed to improve its governance procedures and actions were ongoing to address the matter.

PANEL RULING

The Panel noted that mid-2015, Celgene decided to engage with private practice in a particular area but that it had little experience in communicating with dermatologists working outside the NHS. In its response, Celgene had not provided any documentation to show how it planned to manage that process of engaging with new customers.

The Panel assumed that as a result of the decision to target private practice, the two meetings at issue (November 2015 and March 2016) were planned jointly by local field-based staff and the aesthetics company. An initial planning meeting between one of the KAMs and the aesthetics company took place on 4 September 2015 with regard to the November 2015 meeting. In an email dated 7 September to the aesthetics company the KAM stated 'I'm not sure this kind of thing has ever been done before …'. The email also referred to using the aesthetics company's contacts to 'secure a quality audience'. That email was copied to the other KAM and to his/her first- and second-line managers. It was thus clear from the outset that senior staff within Celgene knew that, as stated in the email, the KAM was proposing a 'unique collaborative venture' and intended to invite contacts of the aesthetics company. The Panel considered that the email should have prompted mangers to urgently and proactively investigate the proposed arrangements, the reputation/nature of the aesthetics company and the proposed relationship between the parties to ensure compliance with the Code. In the Panel's view, to know about the proposals but fail to guide more junior staff in an activity with which the company was unfamiliar, particularly when those staff appeared to be engaging a third party provider with whom Celgene had not worked before, was extremely poor.

The Panel considered that the lack of guidance was further compounded by the fact that although the meetings approval form for the November meeting stated that the aesthetics company would 'help drive recruitment', none of the signatories thought to question what that meant or would entail. The Panel noted Celgene's submission that when the meeting arrangements were being made, no-one in the company knew about the nature of the aesthetics company's database or that invitations would be sent to those on the database. The company acknowledged that this was careless.

The Panel noted that Celgene funded the meetings and distributed some of the invitations. It appeared that the KAMs who had organised the meetings had, through the personal contact of one of them and with the knowledge of more senior staff, used the aesthetics company to distribute at least some of the invitations. The director and the business development manager from the aesthetics company attended the November 2015 meeting. The March meeting was cancelled when Celgene was alerted by one of its staff that the invitation had been sent to his/her private email address even though he/she was not a health professional. The collaboration between Celgene and the aesthetics company was informal and appeared to have been wholly arranged by junior staff. There was no written agreement detailing the arrangements and the responsibilities of the parties. The relationship between Celgene and the aesthetics company was described in various ways. The approved copy of the invitation for the November meeting stated 'This meeting is organised and funded by Celgene Limited in

association with [the aesthetics company]' whereas that for the March meeting stated 'This meeting is organised and funded by Celgene Limited' with no reference to the aesthetics company. The invitation sent by the aesthetics company for the November meeting stated '[aesthetics company] in conjunction with Celgene' at the beginning and 'This meeting is organised and funded by Celgene Limited in conjunction with [aesthetics company]' at the end. The invitation sent by the aesthetics company for the March meeting was headed with '[Aesthetics company] in collaboration with Celgene' and contained the statement 'This meeting is organised and funded by Celgene Limited'.

November 2015 meeting

The Panel noted that following approval of the invitation, which included the agenda, for the November meeting, the KAM responsible for the meeting was notified by email the same day and in that regard appeared to have been sent a copy of the approved document. Six days later the KAM attached a copy of the approved invitation to an email addressed to the aesthetics company but made no reference to the utmost importance of using that material as approved. Indeed the KAM stated 'I also had a play with a word document which you might want to use as an agenda?' It was that word document which the aesthetics company emailed out. Thus the invitation sent out by the aesthetics company, for a promotional meeting, had not been certified as required by the Code. A breach of Clause 14.1 was ruled. Although the document did not refer to Otezla by name, it did detail a presentation entitled 'Recent Advances in Treating Psoriasis – Oral therapy a new hope?' In the Panel's view this was an indirect reference to Otezla (first authorized in January 2015) and that, together with the fact that the meeting would promote Otezla, triggered the requirements of Clause 4. As there was no prescribing information included, the Panel ruled a breach of Clause 4.1. There was also no statement regarding the reporting of adverse events and so the Panel ruled a breach of Clause 4.10.

With regard to the invitation for the November meeting sent by Celgene, the Panel noted the company's submission that although the electronic version was certified in its final form, the printed version, whilst identical to the electronic version, was not checked and signed in its final form until after it was posted. The Panel ruled a breach of Clause 14.1 in that regard.

The Panel noted that Clause 26.1 stated that prescription only medicines must not be advertised to the public. The Panel noted that the meeting approval form for the November meeting stated that the aesthetics company would 'help drive the recruitment for the meeting'. In that regard the Panel noted its concerns above that Celgene had not appeared to do anything to find out what that meant or would entail. The company had not determined exactly who would be invited to the meeting by the aesthetics company which, it could be assumed, would also want some benefit out of the meeting. This was particularly important given that the products marketed by the aesthetics company were all cosmetics and so its customer base was different to and broader than health professionals or other relevant decision makers as defined in the Code.

The Panel noted Celgene's submission that the aesthetics company had emailed an invitation to the November meeting to its database of 3,000 customers of which only approximately 50% were health professionals. In that regard the Panel was concerned to note that the professional status of the customers on the aesthetics company database had never been discussed. As noted above, the document provided to the aesthetics company did not refer to Otezla directly but it did refer to recent advances in treating psoriasis and question whether oral therapy was a new hope. The Panel noted that Otezla was not the only oral therapy for the treatment of psoriasis. The invitation referred to Celgene as described above. Although the document had been sent to those who were not health professionals, on balance the Panel did not consider that its content was such that Otezla had been promoted to the public. No breach of Clause 26.1 was ruled.

The Panel noted that Clause 18.1 stated that no gift, pecuniary advantage or benefit might be supplied, offered or promised to members of the health professions or to administrative staff in connection with the promotion of medicines or as an inducement to prescribe, supply, administer, recommend, buy or sell any medicine, subject to the provisions of Clauses 18.2 and 18.3. The Panel noted that the aesthetics company provided delegates with bags bearing the logo of one of its products. The bags were promotional and cost around £1.30 to produce. Each bag contained a number of sample packs of skin products marketed by the aesthetics company. Although none of the sample packs provided were available as a retail product, and each only had a nominal value to the company, they would nonetheless, have a perceived value to the recipients. Based on the retail cost of the products provided, the Panel calculated that the recipients had received just under £19 worth of skin care products together with a pen bearing the logo of one of the products and a large, silver, branded bag (approximate cost, £1.30) in which to put the samples, pen (23p) and promotional literature. The Panel considered that the provision of these items meant that attendees had been given gifts in connection with the promotion of Otezla and a breach of Clause 18.1 was ruled. That the items did not relate to Otezla was irrelevant as they were provided at an Otezla promotional meeting. Further, given that the attendees included a rheumatologist, two dentists and a theatre manager, the Panel queried Celgene's statement that the samples of skin care products distributed at the meeting were relevant to the practice of the attendees.

The Panel noted that it was unclear as to when the bags had been distributed at the meeting. Celgene had stated that they were put on chairs at the end of the meeting, but also that they were put on chairs at the beginning of the meeting. The Panel noted that there had been some correspondence to the KAMs from the aesthetics company about the provision of the bags and to whom they should

be sent at the meeting venue. There was no written response from the KAMs stating that such bags should not be provided and it appeared the aesthetics company had got some contact details for sending the bags to the venue. The aesthetics company copied one of the KAMs in to an email which specifically referred to bags being sent to the venue. Celgene had submitted that one of the KAMs had verbally, and explicitly, told the aesthetics company that product samples could not be provided at the meeting; it did not appear that the KAM had tried to stop the provision of bags. In the Panel's view this was wholly inadequate. The Panel considered that whether the bags had been distributed at the beginning or end of the meetings, the KAMs responsible for the meeting should have stopped their distribution. To not have done, having apparently told the aesthetics company that samples could not be distributed but knowing that they had been sent, was poor. Further, the Panel noted with concern Celgene's submission that the KAMs and their manager saw the bags but did not look into them or take one; they all assumed that the bags contained only promotional literature for the aesthetics company's products and pens – despite previous discussions and one email from the aesthetics company clearly referring to a full size of one product and 10g of another being in the bag (it appeared that the full size product was not included). In the Panel's view the KAMs and their manager were likely to have seen delegates looking at the contents of the bag and queried why they did not identify the bags themselves as being in breach of the Code.

March 2016 meeting

With regard to the March meeting, the Panel again noted Celgene's submission that the email invitation for the March 2016 meeting was certified before use. As with the November invitation, the printed version, whilst identical to the electronic version, was not checked and signed in its final form until after it was posted. The Panel ruled a breach of Clause 14.1 in that regard.

The Panel noted Celgene's submission that one of the KAMs, who had worked with a design agency to develop the invitation to the meeting, had been sent, from the agency, an electronic copy of the final document which he/she sent to his/her peers one of which was the other KAM who then forwarded it to the aesthetics company. That document had not been certified. The aesthetics company then, without consulting Celgene, cut and pasted the invitation into the body of an email and in doing so removed the black outlined box at the end of the invitation containing information on adverse event reporting. The Panel thus ruled a breach of Clause 4.10. The invitation sent by the aesthetics company had not been certified and a breach of Clause 14.1 was ruled. The Panel noted that as prescribing information had been included, there was no breach of Clause 4.1.

The Panel noted Celgene's submission that the invitation for the March meeting emailed by the aesthetics company, did not include the inverted, black, equilateral triangle in the prescribing information. In the Panel's view, however, that symbol should have appeared in the introductory comments of the email as that was the most prominent display of the product (Otezla) name. Celgene, however, had not been asked to consider the requirements of Clause 4.11 of the 2015 Code and so the Panel could make no ruling in that regard.

The Panel noted that the invitation referred to Otezla and included prescribing information. The Panel noted that although the meeting had been cancelled, the aesthetics company had, as before, emailed the invitation to 3,000 of its customers of which, according to Celgene, only approximately 50% were health professionals. The Panel noted that one of the people to get that invitation was one of Celgene's own staff who was not a health professional but who in a previous role, had attended trade exhibitions where the aesthetics company had exhibited and had signed up to receive mailings from it. The Panel considered that a member of the public had thus received the email and in that regard had received promotional material about Otezla, a prescription only medicine. A breach of Clause 26.1 was ruled.

Overall

The Panel was concerned about the activities of the KAMs and their manager as outlined above. In the Panel's view almost every aspect of the arrangements for the meetings at issue either showed a flagrant disregard for the requirements of the Code or a profound lack of knowledge. The Panel considered that the KAMs and their manager had failed to maintain a high standard of ethical conduct in the discharge of their duties and had not complied with the requirements of the Code. A breach of Clause 15.2 was ruled.

The Panel noted its comments and rulings above and considered that the company had failed to maintain high standards. A breach of Clause 9.1 was ruled.

The Panel considered that overall the conduct of many company employees had fallen short of competent care leading to multiple breaches of the Code. The Panel considered that the company's conduct was such as to bring discredit upon, or reduce confidence in, the pharmaceutical industry. A breach of Clause 2 was ruled.

The Panel was extremely concerned that this case highlighted multiple and serious compliance failings at all levels within Celgene including the actions of first and second-line field staff, the failure to properly manage those staff, use of uncertified materials, non-adherence to company SOPs, lack of action by those approving meetings and the extremely informal arrangements for the engagement of third parties. In the Panel's view there appeared to be a laissez-faire or reckless attitude to compliance by many within Celgene and so it decided, in accordance with Paragraph 8.2 of the Constitution and Procedure, to report Celgene to the Appeal Board for it to decide whether further sanctions were required.

During its consideration of this case the Panel noted that Otezla was a prescription only medicine indicated for the treatment of moderate to severe chronic plaque psoriasis in adult patients who failed to respond to or who had a contraindication

to, or were intolerant to other systemic therapy including cyclosporine, methotrexate or psoralen and ultraviolet-A light (PUVA). Otezla was also indicated in the treatment of psoriatic arthritis. The attendees at the November meeting had included three dermatologists, one rheumatologist, four clinic directors, one GP, two dentists, one MSc student and a theatre manager. Given that Clause 11.1 of the Code required material only to be sent or distributed to those categories of persons whose need for, or interest in, it could be reasonably assumed, the Panel questioned the relevance of Otezla to the dentists and the theatre manager in particular. In that regard the Panel was concerned at Celgene's submission that when interviewed the KAMs and their manager stated that the delegates were appropriate.

The Panel queried whether the health professionals who were emailed by the aesthetics company, had given prior permission to receive promotional emails as required by the Code.

The Panel noted Celgene's submission that one of the speakers at the November meeting used slides selected from a previously approved slide kit. Neither that selection of slides nor the second speaker's slides were uploaded onto the meetings approval system or reviewed in advance of the meeting. The Panel noted the requirements of Clause 14.1 that all promotional material must be certified before use, but considered that the use of uncertified slides went beyond the voluntary admission and so it made no ruling in that regard.

The Panel requested that Celgene be advised of its concerns above.

COMMENTS FROM CELGENE ON THE REPORT FROM THE PANEL

Celgene submitted that it took compliance very seriously and was committed to the highest standards of compliance and ethical conduct. This had been demonstrated through a ten year history of no Code challenges prior to this voluntary admission. [Post meeting note: Celgene had received a complaint where no breach of the Code was ruled (Case AUTH/2454/11/11)].

Celgene accepted that there were failings in its management of this meeting and associated materials, and that the company's procedures and execution should be improved. Nevertheless, Celgene submitted that what had occurred in this case did not represent the compliance culture at Celgene. The language used by the Panel to describe Celgene's employees' intentions was not supported by any of the evidence before it.

Celgene submitted that there was not a 'laissez-faire or reckless attitude to compliance by many within Celgene' as stated by the Panel. Upon discovery, Celgene immediately conducted a thorough investigation of this matter involving compliance, human resources and legal functions at local, regional and global levels. There was no evidence to suggest deliberate non compliance with the Code or a reckless attitude towards it. On the contrary, all of the employees involved were genuinely dismayed when they discovered the consequences of their individual actions.

Celgene submitted that the facts that led to this voluntary admission came to light when a field-based employee notified the compliance team. Within ten days of this notification, following an initial investigation, the senior management team decided to make a voluntary admission to the PMCPA; a company with a 'flagrant disregard' for the Code would not have done so. Self-reporting showed a respect for the Code and self-regulation. It also demonstrated a desire to encourage compliance internally and, through transparent reporting, publicly demonstrated that Celgene, as a member of the ABPI, took the Code seriously.

Celgene submitted that it had conducted a thorough review of what went wrong, including an open and honest investigation with all employees concerned. Celgene reiterated that it had also deployed a detailed corrective and preventative action (CAPA) plan and noted that it had ensured that there were adequate resources to deliver against this plan, including more frequent internal reviews of its systems going forward.

Celgene submitted that most of the rulings were directly linked to the failure to properly monitor the activities of the third party. Clearly, Celgene was responsible for the actions of third parties in these circumstances. Celgene was currently reviewing its procedures and systems related to third party contracting to ensure that such failures could not happen again.

Celgene had urgently addressed the certification failures and submitted that its systems were now robust. The other shortcomings that had resulted in multiple breaches in this case had been addressed within a comprehensive CAPA plan.

In summary, although there were lapses, Celgene submitted that the facts determined through investigation did not show recklessness or a pervasive 'laissez-faire' attitude toward compliance. To the contrary, as soon as this matter came to Celgene's attention, it immediately investigated and concluded that a voluntary admission would be consistent with the expectation placed on ABPI member companies, in keeping with the spirit of the Code.

At the consideration of the report the representatives from Celgene apologised for the significant failings in this case and submitted that the company was doing everything to prevent this from happening again. Celgene gave brief details of its culture which it submitted was built on a set of strong global values. By way of background Celgene submitted that its heritage was in rare and life threatening diseases in oncology and haematology. In early 2015, Celgene had launched an inflammation and immunology franchise with dermatology, a new therapeutic area. This new franchise had: overlap between regulated and non-regulated environments; almost 50% increase in employees (50 additional); increased commercial activity – new therapeutic area, new clinical customers – with rapid increase

in volume of materials for approval. Celgene's understanding of what went wrong included a mixture of process failure and third party oversight failure.

Celgene gave further details of its CAPA plan which included *inter alia*, a schedule of self-audit, recruitment of additional members for the compliance team, third party review of all compliance processes including newly updated processes, Code re-training of all employees and a signatory forum.

Celgene asked the Appeal Board to consider whether the language used by Panel was a fair reflection of the facts and its compliance culture. There was no evidence that there was any intent to run meetings in a non-compliant way.

APPEAL BOARD CONSIDERATION OF THE REPORT FROM THE PANEL

The Appeal Board noted that this case had arisen from a voluntary admission and it was grateful for the company's apology at the hearing of the report; the company had started to implement a CAPA plan. The Appeal Board further noted Celgene's submission that its heritage lay in haematology, but that in early 2015 dermatology had taken the company into a new therapeutic area and this had been accompanied by a rapid increase in the number of employees and commercial activity. The Appeal Board nonetheless noted that very basic mistakes had been made by a number of staff, including signatories and the KAMs' manager, and it was extremely concerned by Celgene's admission at the consideration of the report that two senior managers, the director of medical affairs and the business unit director, had both known about the meeting that had gone ahead. The Appeal Board noted that the engagement with private dermatologists via an aesthetics company was a new venture for Celgene; the company should have immediately recognised that there would be a number of Code and compliance issues to address. What should have been obvious and potential problems appeared to have been ignored and mistakes had been made at all levels within the company; in that regard the Appeal Board was concerned about Celgene's supervision of its staff and oversight of the meetings at issue.

Despite Celgene's quick reaction once it was aware of the matters at issue and its voluntary admission, the Appeal Board decided, given its serious concerns noted above, to require in accordance with Paragraph 11.3 of the Constitution and Procedure, an audit of Celgene's procedures in relation to the Code. On receipt of the audit report, the Appeal Board would consider whether further sanctions were necessary.

APPEAL BOARD FURTHER CONSIDERATION

Celgene was audited in October 2016 and on receipt of the audit report in November the Appeal Board noted Celgene's acknowledgement that leadership oversight had been deficient and that staff had been given too much autonomy. The Appeal Board was concerned about the poor quality of training. The culture of trust and empowerment was not supported by appropriate checks and balances. It appeared that the importance and significance of the compliance challenges were down played. The company appeared not to have a positive, pro-active culture of compliance.

On receipt of further information in December 2016, and on noting key dates in 2017 for compliance objectives etc, the Appeal Board decided that the company should be re-audited in May 2017. On receipt of the report for the re-audit the Appeal Board would decide whether further sanctions were necessary.

Celgene was re-audited in May 2017 and on receipt of the re-audit report in June the Appeal Board noted that although some progress had been made the report highlighted a number of issues and concerns to be addressed.

On receipt of further information in July 2017 regarding, *inter alia*, Celgene's compliance plan and despite requesting further updated responses, the Appeal Board decided that the company should be re-audited in January 2018. On receipt of the report for the re-audit the Appeal Board would decide whether further sanctions were necessary.

Celgene was re-audited in February 2018 and on receipt of the report the Appeal Board considered that Celgene had made progress. The Appeal Board was very concerned about some of the issues being found however it noted that Celgene UK was proactively dealing with issues as they arose. The Appeal Board noted that Celgene had a comprehensive compliance action plan for 2018 to address recommendations from the re-audit which stated that progress had already been made. The global company appeared not to be checking with Celgene UK regarding meetings and activities despite the SOPs requirement that it should. The Appeal Board considered that, on the basis that issues continued to be addressed, the compliance plan followed, and all staff continued to take a proactive, positive and personal role in compliance, no further action was required.

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