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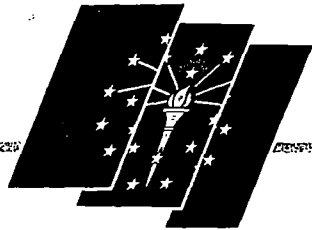
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Indiana Democratic Party

Joe Andrew
CHAIRMAN

September 30, 1996

Rahm Emanuel
Special Assistant to the President
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. Emmanuel:

Linda Moore and Doug Sosnik recently suggested that I contact you regarding an issue that is currently being discussed in the Governor's race here in Indiana. Frank O'Bannon, our candidate for Governor can use the help of the Clinton team. In addition, the President's campaign, which has already spoken out to some extent on the issue can also benefit by weighing in even further.

As you know, Indiana is not usually in play for Democratic Presidential candidates at this stage, and this could help put the President over the top in Indiana.

An over-the-counter drug, called Mini Thin, is being abused by middle school and high school students across the nation to get high. This manufacturer of this drug, which is essentially ephedrine, claims that it is useful in relieving the symptoms of asthma. Interestingly, this "asthma medication" is not sold in pharmacies. It is, however, sold in truck stops and gas stations.

Physicians, pharmacists, and drug counselors agree that this drug has no significant medical value and is often a gateway drug for preteens. It is never prescribed for asthma. In addition, the Indiana Poison Control Hotline has received over 600 calls in three years from individuals suffering the effects of abusing Mini Thins.

There is also evidence that Mini Thins are serving not only as a gateway to using harder drugs, but as a gateway to pushing drugs. Youngsters are purchasing the drug in convenience stores at a price of \$1 for a six tablet package and then reselling it in middle schools for \$1 a tablet.

The story gets worse. Ephedrine is the principal precursor to the illegal drug, methamphetamine (also known as "crank"). Many experts believe that "crank" is overtaking crack cocaine as the

nation's number one problem drug. Mini Thins or other forms of ephedrine have been found in every methamphetamine lab raided by Indiana law enforcement authorities this year.

The manufacturer of Mini Thins, Richard Deer, is based in Indiana and is the biggest in-state contributor to the Republican candidate for Governor, Steve Goldsmith. He is also a significant giver to Senator Richard Lugar.

Frank O'Bannon has already gotten great press on the issue. What is truly amazing is the fact that Republicans are so quick to defend Deer. Goldsmith referred to ephedrine as a "minor problem", and when O'Bannon suggested retailers remove the product from their shelves, Goldsmith called the suggestion "cute".

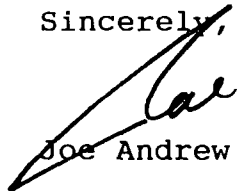
The FDA is currently moving to stop the sale of this product. I want to encourage what the FDA is doing, and to suggest that Alan Kessler or General Barry McCaffrey take a very public position on getting this and other ephedrine products off the shelves and out of reach of our children. I think that should start right here in Indiana.

I suggest sending either Mr. Kessler or Gen. McCaffrey to Indiana to make public statements about the need to keep our kids away from this product. Methamphetamine is already a focus of the President's anti-drug program. This would be a good way to take the argument a step further. It's bad enough that kids are abusing ephedrine, but if ephedrine is contributing to the growing crack problem, we need to take action.

After testing the issue in Indiana, you may decide it has resonance elsewhere. At a minimum, it would give the Clinton anti-drug message more exposure in Indiana, and would help Indiana candidates a great deal.

I would appreciate you looking into how we might work together to benefit both the President's and Frank O'Bannon's campaign by helping to focus the public's attention on this important issue. If I can be of assistance in any way, please do not hesitate to call me or my Political Director, Steve Rogers, at (317)231-7100.

Sincerely,



Joe Andrew

cc: Don Fowler
Governor Evan Bayh
Linda Moore

City/State

B

CLASSIFIED ADS / Pages 6-10

FRIDAY, SEPTEMBER 6, 1996

THE INDIANAPOLIS STAR

Online: www.starnews.com
InfoLine: 624-4636

Mini Thin remarks stir mega-controversy



Lt. Gov. Frank O'Bannon called for a ban on over-the-counter sales of ephedrine.

■ O'Bannon proposes ban on ephedrine; Goldsmith calls marijuana bigger threat.

By Mary Beth Schneider
STAFF POLITICS WRITER

It was only one of four proposals Lt. Gov. Frank O'Bannon laid out Thursday to make schools less disruptive and more drug-free.

But it was the one that provoked the biggest response from his opponent for the governor's office, Indianapolis Mayor Stephen Goldsmith. His response, in turn, provoked an angry response from Democrats, particularly attorney

general candidate Jeff Modisett.

Thursday, O'Bannon called for a ban on over-the-counter sales of the drug ephedrine — marketed under a variety of names, including Mini Thin — which he called a "gateway drug" that introduces youths to harder drugs.

"It's the middle-school drug of choice," O'Bannon said.

It's also manufactured by a company owned by one of Goldsmith's biggest political contributors, Richard A. Deer of Indian-

apolis. Deer has given Goldsmith more than \$30,000 this year — \$10,000 in cash and \$20,020 in yard signs — and more than \$53,000 since late 1993.

O'Bannon said middle-school students seeking a drug high buy Mini Thin at convenience stores and gas stations, six tablets for 99 cents. Some resell it at a dollar a tablet, making the drug also a gateway to drug dealing, he said.

It has no medicinal value, he said, and isn't sold in pharmacies, though it is marketed as an asthma remedy. The Food and Drug Administration, at the urging of the Drug Enforcement Administration, is working on rules that

would make the drug available by prescription only. Other states also are moving to limit its availability.

O'Bannon did not call on Goldsmith to return Deer's money, and Goldsmith has said he has no plans to do so.

Thursday, Goldsmith said he had no problem with regulating the sale of ephedrine.

"If the state wants to do it, fine," he said.

But he belittled O'Bannon's proposal as minor when there are bigger drug problems to address.

Told of O'Bannon's proposal to make the drug available by prescription only, Goldsmith said:

"Cute."

"Fine," he continued. "Why didn't they do that in the last eight years?"

Marijuana, not ephedrine, is "the true gateway drug," he said.

He cited a 1995 study by Indiana University's Indiana Prevention Resource Center that found drug use up significantly among Indiana teen-agers.

"In the last eight years, Frank O'Bannon and Jeff Modisett have been absent from the fight (against drugs)," Goldsmith said.

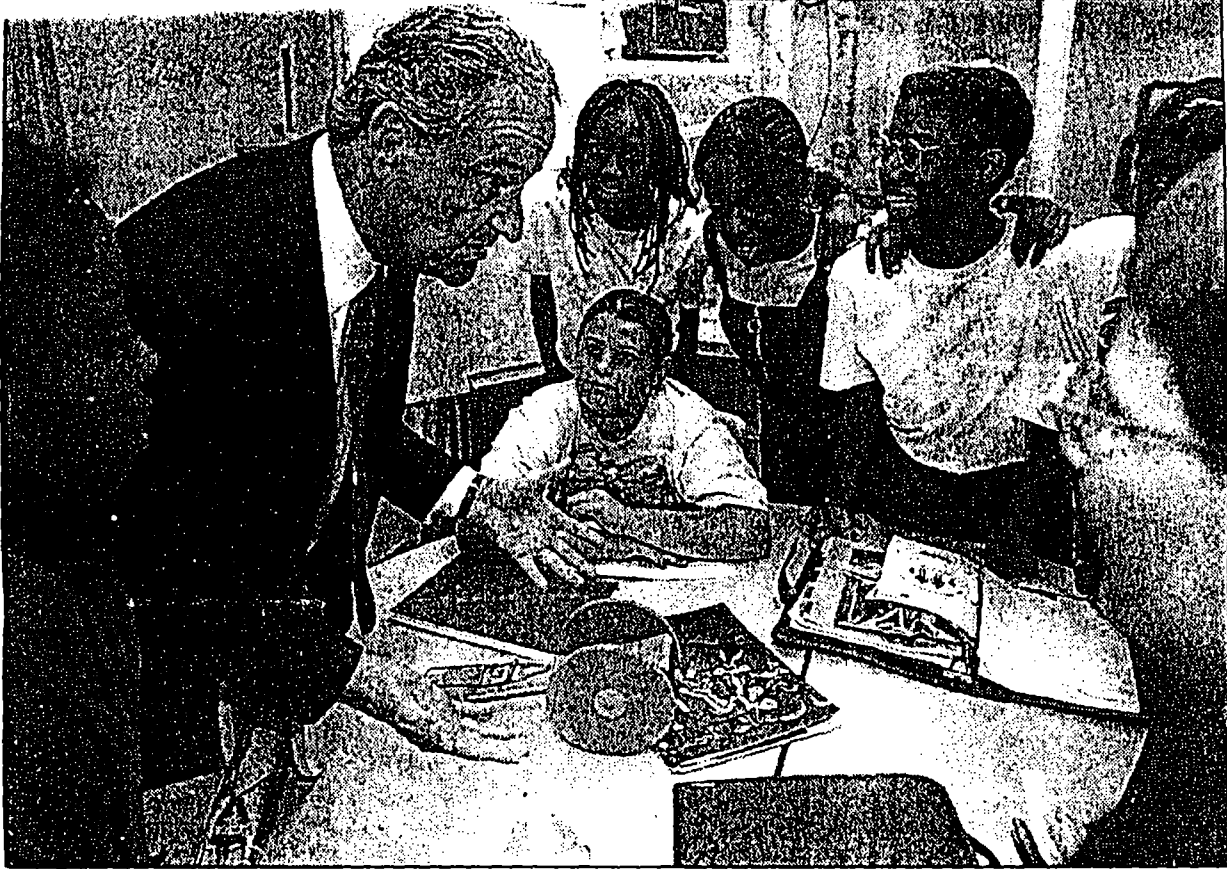
O'Bannon's proposals, he said, fell into the "better late than nev-

See **CONTROVERSY** Page 6



Stephen Goldsmith described his rival's proposals as "better late than never."

* COULD YOU FAX TODAY'S HAMMOND TIMES ARTICLE?



STATEHOUSE TO SCHOOLHOUSE: Gubernatorial nominee Frank O'Bannon talked to sixth-graders during a campaign stop Thursday at New Augusta Public Academy in Indianapolis.

CONTROVERSY

Continued from Page 1

er" category.

Modisett, Goldsmith's successor as Marion County prosecutor, is chairman of the Governor's Commission for a Drug-Free Indiana. He was livid at Goldsmith's assertion.

Modisett cited years of steps taken in the fight against drugs, and awards recognizing Indiana as a leader in the fight.

"It's absolutely clear that Steve Goldsmith is trying to distract attention from the fact that ... he

has money in his campaign that indirectly comes from young kids trying to get high," Modisett said.

And he found it cheesy of Goldsmith to blame O'Bannon for the increase in drug use in the state when "Frank O'Bannon did not say, 'Vote against Steve Goldsmith because there's been a 700 percent increase in crack cocaine in Indianapolis.'"

O'Bannon, accompanied by Ann England, the Democratic nominee for superintendent of public instruction, also called for providing state matching funds to local school corporations that choose to adopt drug-testing pro-

grams; increased state funding for local alternative schools for disruptive students; cutting the Indiana Department of Education bureaucracy by 40 percent over four years and using the money to help schools with anti-violence and anti-drug strategies; and keeping schools open from 7 a.m. to 9 p.m. to give students, especially latch-key children, a drug-free, safe environment for homework and recreation.

Goldsmith called all the proposals "terrific" and said he had thought so back in 1988 when he proposed such things in his campaign for lieutenant governor.

Associated Press
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Mini Thin maker backs Goldsmith with big donations

Associated Press

Republican gubernatorial candidate Stephen Goldsmith says he was unaware that one of his campaign contributors owns a company that makes an over-the-counter medication abused by some drug users.

The drug, sold under the brand name Mini Thin, contains a stimulant under scrutiny by federal regulators.

Goldsmith, a former prosecutor, says he's concerned about casual drug use, but as a candidate, doesn't look into the businesses of his supporters.

"If there are substantial questions raised about a contributor who's a major contributor, then we will investigate those and look at them," Goldsmith said.

Contributor Richard A. Deer of Indianapolis is president of Body Dynamics Inc. of Carmel, which does business as BDI Pharmaceuticals Inc.

In a 15-month period ending in mid-April 1996, Deer contributed \$38,140 to Goldsmith's gubernatorial and Indianapolis mayoral campaigns, according to an analysis reported Sunday by *The Times of Munster* and WISH-TV.

Goldsmith won election to a second term as mayor in 1995 and is the Republican candidate for governor against Democrat Frank O'Bannon.

Deer's company makes tablets of ephedrine, a central nervous system stimulant sold legally by mail and at gas stations, truck stops, mini-marts and liquor stores.

Ephedrine is the main ingredient illicit drug labs use to make methamphetamine and methcathinone, two forms of the illegal stimulant known as speed, according to Indiana State Police and Illinois health authorities.

Health officials warn that misuse of ephedrine products have caused episodes of mental illness, heart attacks, strokes and deaths across the country.

Lynn Willis, a professor of pharmacology at the Indiana University School of Medicine, calls ephedrine a "dirty drug" which can increase blood pressure and heart rate.

"There's a whole variety of effects that can occur," Willis said.

The U.S. Food and Drug Administration and the Drug Enforcement Administration are moving to tighten regulation of drug products made by BDI and companies like it.

The DEA asked the FDA to ban over-the-counter sales of ephedrine last year because the drug is easily converted to illicit uses. FDA spokeswoman Ivy Kupec said the agency is working on a final rule that would make ephedrine a prescription drug.

Deer refused requests for interviews by *The Times* and WISH-TV, responding instead in writing to a list of submitted questions.

In his response, Deer denied targeting young drug users and said his company urges retailers not to sell his product to minors. He also denied selling drugs designed to attract drug users by mimicking the appearance of controlled substances.

"As a result of my interest in my community and especially the youth, I contribute to a wide range of projects that educate against the dangers of all drugs, such as McGruff (the crime dog) and Say No To Drugs," he wrote.

FDA official Ken Shellin, who began investigating Deer after Indianapolis police called with questions about Deer's products, says Deer is a former assembly line worker with no pharmaceutical training.

Shellin doubts Deer's assertion the drug is meant for asthma sufferers and his denial that the drug is marketed to illicit users.

"Clearly, he's not appealing to the pharmaceutical market, although he would like to cloak himself in the mantle of the legitimate pharmaceutical industry," said Shellin.

Deer's alliance with a possible future governor — he has not contributed to O'Bannon — leaves him a supporter of the man who may come to control appointments to the state Board of Pharmacy.

In the past, the board has recommended tighter state control of ephedrine products, a proposal rejected by the General Assembly, said David Certo, the board's staff director.

Goldsmith said that as governor, he would not intervene in any Board of Pharmacy actions that could affect Deer's company.

Evansville
Press, 8/27/96

EVANSVILLE PRESS
8-27-96

Goldsmith claims no knowledge of contributor's drug business

Medication's abuse of concern to FDA

Associated Press

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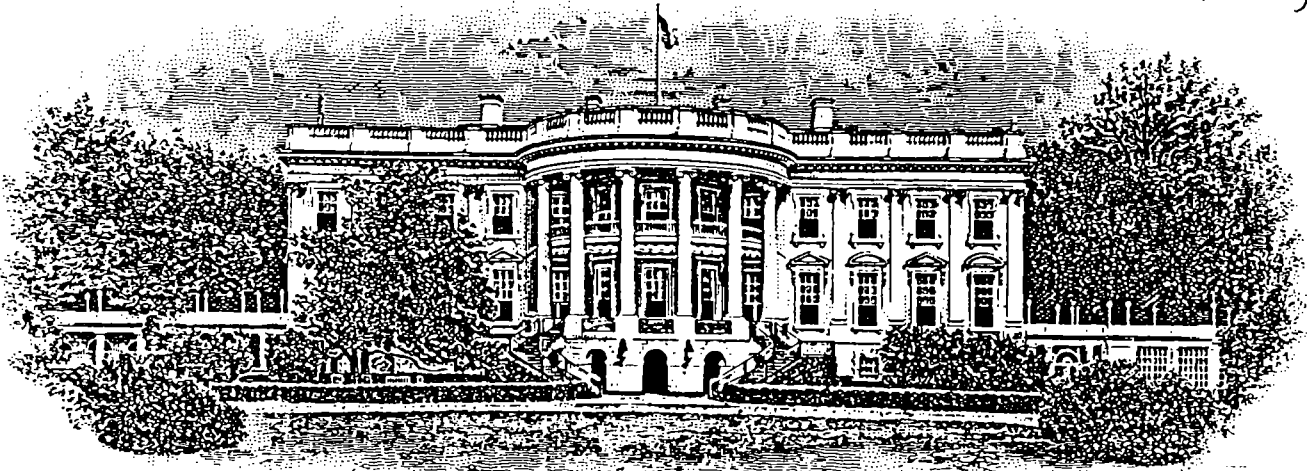
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The White House

- Ag (ok) - OMB Sally (ok)
- OSTR (ok) - Nancy Ann -
- Justice
- HHS
- Andy Fois -



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Bob Pellicci 5-4871

FAX NUMBER: 5-6188 3103

TELEPHONE NUMBER: _____

FROM: Elizabeth Dyer

TELEPHONE NUMBER: _____

PAGES (INCLUDING COVER): _____

COMMENTS: Please circulate. Close Hold.

Bill has not been introduced. Democratic Senator
is asking for Admin. views and possible FPA
statement of support.

104TH CONGRESS
2D SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. D'AMATO introduced the following bill; which was read twice and referred
to the Committee on _____

A BILL

To amend the Federal Food, Drug, and Cosmetic Act to
clarify that any dietary supplement that claims to
produce euphoria, heightened awareness or similar men-
tal or psychological effects shall be treated as a drug
under the Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEFINITION OF DRUG.**

4 Section 201(g)(1) of the Federal Food, Drug, and
5 Cosmetic Act (21 U.S.C. 321(g)(1)) is amended by adding
6 at the end thereof the following new sentence: "Notwith-
7 standing the preceding sentence, a dietary supplement
8 shall be considered a drug under clause (C) if the label

2

- 1 or labeling of such drug claims or implies that the dietary
- 2 supplement produces euphoria, heightened awareness, or
- 3 similar mental or psychological effects.'".

NACDS

National Association of Chain Drug Stores

Gerald Heller
Chairman of the Board

Ronald L. Ziegler
President & CEO



Chris J.
cc: Wrye
Pizzuto
See email.

May 16, 1996

Via Facsimile

Carol H. Rasco
Assistant to the President for Domestic Policy
The White House
Washington, D.C. 20500

Dear Carol:

Because you are travelling, your staff requested that I alert you to a potentially serious issue that could produce significant negative public reaction for the Administration. The issue relates to efforts by the Drug Enforcement Administration and the Administration to curtail, through regulation and legislation, the diversion of pseudoephedrine products that are used illegally to manufacture methamphetamine or "speed." While we support this objective, the proposed Administration approach contained as part of an anti-crime package announced April 29 by Drug Czar Barry McCaffrey will result, we believe, in a maelstrom of public criticism directed at the Administration.

Simply put, both the DEA proposed regulation and the Administration's bill would require record keeping on the sale on any product containing pseudoephedrine (and combinations of other chemicals) to any individual. Drug stores and other retail establishments selling these common over the counter cold and allergy relief products could be forced to remove the products from store shelves in order to avoid excessive penalties for failure to track the sale of each product. Just imagine the reaction from the more than 40 million individuals who rely on these products when they learn from press accounts the reasons why their access to these products has been significantly limited.

The National Association of Chain Drug Stores (NACDS) has worked constructively with the Administration on many mutual objectives. We believe we have a viable and constructive alternative that will enable the Administration to achieve its goal, as well as prevent the negative public backlash which will occur if present legislative intent survives.

We request your assistance in arranging a meeting as soon as possible with the appropriate parties to discuss our proposed alternative. Either I, or Laura Fogt, will be contacting your office to determine how we might proceed. Thank you for your assistance in this matter.

Sincerely,


Phillip L. Schneider
Director of Public Affairs