February 03, 2017

U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Dear Commissioners:

We write to provide additional evidence that necessitates an investigation of Representative Tom Price’s stock market trading activities prior to his confirmation as Secretary of the Department of Health and Human Services. As detailed in our request for an investigation last week, Rep. Price’s purchases in In innate Immunotherapeutics and his conversations with Rep. Chris Collins about those purchases continue to raise concerns that merit investigation.¹

It is now clear that Rep. Price’s responses to the Senate HELP and Finance Committees and press reports on his trading activities offer conflicting accounts of how and when Rep. Price made investment decisions. This newly available information heightens our concerns about Rep. Price’s financial dealings and his possible violations of the STOCK Act and insider trading laws. As both Democrats and Republicans have noted, it is critical that public officials be fully prepared to make decisions in the interest of the people they serve, not their own financial interests—and before Rep. Price’s nomination advances, our constituents deserve this basic assurance.

Contradictory Accounts Present Unclear Picture on Rep. Price’s Investment Decisions

Press reports from earlier this week contradict previous information provided by Rep. Price about his stock purchases.² Rep. Price repeatedly stated before the HELP and Finance Committees that he purchased In innate Immunotherapeutics stock at the same price as was available to all other investors at the time. In response to questions from Sen. Franken about his awareness that he was purchasing stock at a discounted price, Rep. Price stated, “What I said to you and what I’ve said to others is that I paid exactly the same price as everybody else.”³

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Sen. Wyden asked about purchasing stock through private offerings not available to the public, Rep. Price said, “they were available to every single individual that was an investor at the time.”

Yet, according to a *Wall Street Journal* story published Monday, January 30, Rep. Price purchased discounted shares in two separate private placements offered to fewer than 20 U.S. investors. Both Rep. Collins and Innate Immunotherapeutics CEO Simon Wilkinson confirmed in the article that the discounted price was not available to all U.S. investors. Rep. Collins said that Rep. Price was one of only six U.S. investors who received the discount made available to the friends and family of previous investors.

Rep. Collins and Mr. Wilkinson’s accounts changed yet again earlier this week. Late Monday, in an e-mail from Rep. Collins to Mr. Wilkinson, Rep. Collins stated “the offer was made available to every US shareholder who had ever participated in any share offering in the US.” He stated that many US shareholders – including his own children – chose not to participate “because of the perceived risk.” Mr. Wilkinson said that the discounted shares were made available to about 850 Australian and New Zealand shareholders and to “accredited US resident shareholders.” According to Mr. Wilkinson, about 600 shareholders in Australia and New Zealand and 20 shareholders in the United States “took up the invitation.”

It is impossible to ascertain which of these versions of events is accurate. Rep. Collins and Mr. Wilkinson have provided conflicting stories about the discounted stock price offered in the U.S. in the summer of 2016. Rep. Price’s testimony before the HELP and Finance Committees provides a third version of these events.

Conversations Between Reps. Price and Collins Raise Significant Insider Trading Concerns

Press reports this week also raise additional concerns regarding Rep. Collins – who is a Director of Innate Immunotherapeutics – and conversations with Rep. Price about the results of drug trials being conducted by the company. Rep. Price stated before the HELP Committee that he learned of Innate Immunotherapeutics from Rep. Collins and that Rep. Price subsequently “studied the company for a period of time and felt that it had some significant merit and promise and purchased the initial shares on the stock exchange itself.” Rep. Price provided similar information to the Finance Committee: “I had a conversation with Representative Collins in the fall of 2014 that brought Innate, as a company, to my attention. The nature of that conversation did not, however, influence my decision to invest in the company in either 2015 or 2016.” Rep. Price further stated that “Any such communications [with Rep. Collins] did not impact my investment decisions, however, because my purchases of Innate stock were based solely on my own research.”

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4 U.S. Senate Committee on Finance, Hearing to Consider the Nomination of The Honorable Thomas Price to be Secretary of Health and Human Services (Jan. 24, 2017).
7 Questions for the Record from Ranking Member Ron Wyden, U.S. Senate Committee on Finance, Hearing to Consider the Nomination of The Honorable Thomas Price to be Secretary of Health and Human Services (Jan. 24, 2017).
The *Wall Street Journal*, however states, that in the summer of 2016 Rep. Price made additional investments in Innate Immunotherapeutics as a result of conversations with Rep. Collins regarding the trial results and the availability of the private placement:

[In the summer, Mr. Price got in on the discounted sale after Mr. Collins filled him in on the company’s drug trial, according to Mr. Collins. Mr. Collins said he told Mr. Price of the additional private placement. He said Mr. Price asked if he could participate in it. “Could you have someone send me the documents?” Mr. Collins recalled Mr. Price asking him.]

This additional information renews questions regarding whether Rep. Price benefitted from information not available to the general public and made the decision to further invest at a price not available to the general public based on that information.

Conclusion

We believe this additional information is important to the agency regarding initiation of an investigation. We also note that this new information should be deeply troubling to all senators, and should preclude Rep. Price’s nomination to head the Department of Health and Human Services from advancing to the Senate floor.

Sincerely,

Patty Murray  
United States Senator

Bernard Sanders  
United States Senator

Tammy Baldwin  
United States Senator

Elizabeth Warren  
United States Senator