

Name: Alert ID: TMML20240341548 Bernie Madoff, who is scheduled to be sentenced June 29 for perpetrating history's biggest Ponzi scheme, is just be the latest in a long line of industry titans turned crooks CRIMINAL EXECUTIVE OFFICER Sam Waksal CEO: ImClone Convicted: October 15, 2002 of securities fraud, bank fraud, obstruction of justice, and perjury Known for his networking skills as much as for his scientific expertise, immunologist Sam Waksal founded ImClone in 1984. The New York-based biotech firm remained relatively unknown until 1999, when it announced the creation of Erbitux — a cancer-fighting drug so promising it convinced pharmaceutical giant Bristol-Myers to purchase \$1 billion of ImClone stock in one of the largest biotechnology partnerships in U.S. history. But when the Food and Drug Administration rejected the drug, Waksal alerted several relatives and friends to dump their stock as soon as possible — before the FDA's decision had been made public. Waksal's father and daughter sold \$9.2 million worth of ImClone, a move that caught the attention of the SEC and eventually led to his arrest. Though Waksal pleaded guilty and publicly apologized to his family, his colleagues, and the millions of cancer patients who had held such high hopes for Erbitux, Judge William Pauley dismissed calls for leniency, noting that Waksal had contributed a mere one-half of 1 percent of his \$133 million fortune to charity. In the end, the fallen entrepreneur paid \$4.3 million in fines and tax restitution, and served 87 months in prison; he was released on Feb. 9, 2009. The scandal's most infamous casualty, however, turned out to be Waksal's pal, Martha Stewart, who had unloaded all 3,928 of her company shares just days before the FDA's decision had been announced to avoid losing an estimated \$45,673; the domestic diva got five months in prison as a result.