

Pfizer CEO Sold Millions In Stock After Coronavirus Vaccine News, Raising Questions

[Tom Dreisbach](#) November 11, 2020 7:21 PM ET



Albert Bourla, chairman and CEO of Pfizer, sold millions of dollars' worth of company stock on Monday as part of a preset plan. But NPR found irregularities about when the CEO entered into that plan.

Zach Gibson/Bloomberg via Getty Images

The chairman and CEO of Pfizer, Albert Bourla, sold \$5.6 million worth of stock in the pharmaceutical company on Monday. The sale took place on the same day Pfizer [announced](#) that its experimental coronavirus vaccine candidate was found to be more than 90% effective. The company's stock soared on the news.

Bourla sold the stock as part of a stock-trading plan that aims to shield corporate executives from allegations of illegal insider trading. But these plans have become [increasingly controversial](#), and the issue has taken on added urgency given the billions of dollars the government has promised Pfizer if its vaccine meets the approval of federal regulators.

Bourla's sale of Pfizer stock was part of a trading plan set months in advance. Known as 10b5-1 plans, they essentially put stock trades on autopilot. Executives are supposed to adopt these plans only when they are not in possession of inside information that can affect a company's stock price — what's known as material nonpublic information.

The timing of the implementation of Bourla's plan, however, has raised questions about what the Pfizer CEO knew and when, and whether that may invite further scrutiny from federal regulators.

On Aug. 19, Bourla implemented his stock-trading plan, according to his [disclosure](#) to the Securities and Exchange Commission.

The next day, Aug. 20, Pfizer issued a [press release](#) featuring "additional Phase 1 safety and immunogenicity data" and confirming that Pfizer and its German partner, BioNTech, were "on track to seek regulatory review" for its vaccine candidate by October.

The financial news channels [Fox Business](#), [CNBC](#) and [Bloomberg](#) all covered the August news, with CNBC noting that the stock appeared to be "moving sharply higher today on an optimistic vaccine timeline."

Daniel Taylor, an expert in insider trading and an associate professor of accounting at the Wharton School of the University of

Pennsylvania, has closely monitored stock trades by executives at companies developing coronavirus vaccines. He told NPR that the close timing between the adoption of Bourla's stock plan and the press release looked "very suspicious."

"It's wholly inappropriate for executives at pharmaceutical companies to be implementing or modifying 10b5-1 plans the business day before they announce data or results from drug trials," Taylor said.

A spokesperson for Pfizer told NPR that the company did not believe the company's Aug. 20 press release contained material nonpublic information and that a stock plan administrator had previously vetted the implementation of the CEO's 10b5-1 plan. The spokesperson noted that the company had [previously announced](#) it expected to seek regulatory approval for its coronavirus vaccine candidate by October and that the August press release merely confirmed that timeline. In addition, the press release contained information from an academic study of Pfizer's vaccine, the spokesperson said, and the company did not control the timing or the content of that study.

"The sale of these shares is part of Dr. Bourla's personal financial planning and a pre-established (10b5-1) plan," Pfizer said in a statement. "Through our stock plan administrator, Dr. Bourla authorized the sale of these shares in February and renewed that authorization in August with the same price and volume terms."

The company spokesperson said Bourla's plan authorized stock sales when the share price hit a certain target.

Though Bourla's stock sale on Monday was significant, the company stated that he still held "approximately nine times his salary in Pfizer stock."

Taylor, of the Wharton business school, said the stock sales by Pfizer's CEO brought to mind similar concerns with another coronavirus vaccine-maker, Moderna. As [NPR reported](#) in September, multiple executives at Moderna adopted or modified their stock-trading plans just before key announcements about the company's vaccine. Those executives have sold tens of millions of dollars in Moderna stock, even though the company has not completed its vaccine trials.

"It's troubling to me that the general counsel or the internal controls of these companies would consider it legitimate to adopt a 10b5-1 plan one day before a major vaccine announcement," said Taylor. "If this isn't a wake-up call for the SEC and a wake-up call that we need to reform these 10b5-1 plans, I don't know what it is."

Billions of dollars in taxpayer funding are at stake in the race for a safe, effective and widely available coronavirus vaccine. The U.S. government has guaranteed roughly \$2.5 billion to the development and manufacture of Moderna's vaccine, for example, and has promised to buy nearly [\\$2 billion](#) worth of Pfizer's vaccine, if it receives regulatory approval.