# CEO: J&J let down public, must work to build trust

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In this file photograph taken Nov. 15, 2007, health care products maker Johnson & Johnson's CEO William Weldon is seen in the company's world headquarters in New Brunswick, N.J. With Johnson & Johnson's once-golden reputation tarnished by 11 recalls of medicines, contact lenses and hip implants in 11 months, its chief executive said Friday, Aug. 27, 2010, he knows the company let consumers down. (AP Photo/Mel Evans, file)

(AP) -- With Johnson & Johnson's once-golden reputation tarnished by 11 recalls of medicines, contact lenses and hip implants in as many months, its chief executive says he knows the company let consumers down.

J&J plans a public campaign to help rebuild their trust, but not until after about 40 recalled nonprescription medicines are back on store shelves sometime early next year. In the meantime, the company is also doing everything possible "to make sure this never happens again," CEO Bill

Weldon told The Associated Press Friday.

The maker of trusted brands including Johnson's No More Tears baby shampoo, Tylenol pain reliever and Neosporin antibiotic ointment, has announced repeated recalls since late last September. Nine involved nonprescription medicines - from Children's Benadryl to Tylenol Arthritis - made by its McNeil Consumer Healthcare unit.

The biggest was an astounding April 30 recall of 136 million bottles of children's and infants' liquid medicines that might have contained tiny metal particles or have too much active ingredient.

"We've learned a lot of lessons. They've been very painful," Weldon said, adding he has received a number of letters from consumers, "some supportive and some not."

No serious injuries have been linked to any recalled products.

But Congress, federal prosecutors and the Food and Drug Administration's Office of Criminal Investigation are looking into the handling of the recalls, including a "stealth" one in 2008 in which J&J allegedly paid a third party to secretly pull Motrin packets with questionable potency off store shelves. All this from the company almost revered for its honesty and caution when an unknown perpetrator laced Tylenol bottles with cyanide in Chicago in 1982.

This week was particularly bad for the world's biggest health-products maker. J&J received a warning from the Food and Drug Administration about illegal marketing of some hip and knee implants and two more recalls: one involving two other hip implant products and one involving contact lenses sold in Asia and Europe that stung some users' eyes.

Asked if he can assure consumers there won't be any more recalls, Weldon said, "I don't think you can ever say 'never' to anything."

"We're doing everything we can anyplace in Johnson & Johnson to make sure this never happens again," he added.

He said the company, based in New Brunswick, has checked quality standards at its 120 factories, realigned its supply chain to make sure "best practices" are shared and set up a new organizational structure with executives focused solely on quality. The manager of one of three McNeil factories where the recalled medicines were made has been fired, but J&J won't discuss other personnel changes.

Yet two months after the children's medicine recall forced the company to shut down its factory in Fort Washington, Pa., federal inspectors found lax operating standards, careless equipment maintenance and cleaning, and shoddy record-keeping at a factory in Lancaster, Pa. Problems at that plant, operated by a joint venture called Johnson and Johnson/Merck Consumer Pharmaceuticals Co., included failure to check medicine batches made during equipment failures.

Last week, J&J appointed a new quality director who will report directly to Weldon and oversee three "chief quality officers," one each for J&J's consumer products, prescription drug and medical device businesses.

While all the recalls won't jeopardize the financial health of a company with about $63 billion in annual revenue, they have made a dent: The McNeil recalls and plant closure will cost J&J $600 million this year alone.

Asked whether members of the board of directors have pressed Weldon, the board's chairman, for more aggressive action or even his resignation, he said board discussions are not public.

The AP called the other 10 board members, but all either declined to comment, were unavailable or did not return messages.

Weldon said it was premature to discuss plans for a media campaign.

"I think the best thing we can do is get (products) back on store shelves for the people that need them," Weldon said. "From there we will have to go back and earn our reputation."

Al Ries, chairman of Atlanta marketing consultants Ries & Ries, said that given J&J's "unprecedented" 11 recalls, it will take time for people to forget about the problems, but they will, eventually.

When a company takes out ads to say "everything is terrific," the public instead gets the opposite impression, he said. Ries said it's better to fix problems and then have the CEO do media interviews to discuss what's been changed, but that J&J appointing one vice president to resolve the quality problems "seems trivial."

"If I were the CEO, I would call a special board meeting and I would resign," Ries said, adding that if the board did not agree, the CEO should propose major internal changes.