

Conflict of interest case shakes NIH

- Gallo associate implicated
- Laboratory equipment link

Washington

FOR the US National Institutes of Health (NIH), which has often said that conflict of interest and scientific fraud among its scientists is not a serious problem, last week's gory exposé of a prominent AIDS researcher marked an embarrassing low point. In a three-hour hearing, congressional investigators alleged that Syed Zaki Salahuddin, a biologist in the NIH laboratory of Robert Gallo, had over six years steered nearly a million dollars of NIH business to a company of which he and his wife were secretly owners.

Investigators said that Gallo had been told four years ago about Salahuddin's possible conflict of interest, but that Salahuddin had assured Gallo that only his wife was employed by the firm and that she would leave it. Gallo apparently took Salahuddin at his word. He did not pass the information on to his superiors, according to NIH acting director William Raub.

Raub announced that NIH will now require employees reviewing contracts to sign a form stating that they have no financial interest in any contracting company. NIH is also planning to require all contractors to file a form declaring that they, too, have no conflict of interest. NIH suspended Salahuddin without pay on the morning of the hearing. The suspension will remain in effect until a separate Justice Department investigation is concluded. Representative John Dingell (Democrat, Michigan), who chairs the powerful energy and commerce oversight and investigations subcommittee, had asked the congressional General Accounting Office (GAO) to investigate the case because of concern that NIH is not doing enough to prevent conflict-of-interest abuses and is reluctant to clamp down when indications of wrongdoing arise.

According to the GAO report, Salahuddin and his wife Firoza Salahuddin co-founded Pan-Data Systems in 1984 while Salahuddin was an employee in Gallo's lab. Over the next four years, as Pan Data grew from a company worth \$921 to one with \$3 million in sales, GAO alleges that Salahuddin surreptitiously maintained his relationship with the firm. GAO says much of Pan Data's growth was due to contracts with Gallo's NIH laboratory.

In contracts with other agencies, Pan-Data benefited from Salahuddin's connection as well, says GAO. Although the company repeatedly denied to NIH that Salahuddin was connected to the

company, it told at least one other branch of the government a different story entirely. The GAO report points out that a 1985 Pan-Data contract proposal for an Army AIDS project listed Salahuddin and his wife as "corporate management personnel". In part because of Salahuddin's reputation as one of the leading retrovirologists in the field, Pan-Data won a subcontract worth \$667,514.

At the hearing, Dingell described the evidence presented by the GAO investigators as a "sorry tale of gross conflict of interest." Salahuddin, Dingell said, "created the firm, used his NIH connections to enrich the firm, did not disclose his interest as required and repeatedly lied about his role in the firm." Salahuddin, citing his Fifth Amendment rights, declined to testify. The Department of Health and Human Services Inspector General and a US grand jury are investigating the case. GAO investigators also reported that a recent NIH inventory found 184 pieces of equipment apparently missing from Gallo's laboratory.

Some of the equipment, Dingell suggested, could be found in the offices of Pan Data.

Raub admitted that, before the recent inventory, the laboratory had not been examined for five years. But it is not uncommon for NIH laboratories to share equipment, and much of the missing inventory may still be at NIH, he said.

Dingell aides say the Salahuddin case is not related to the continuing NIH investigation of Gallo's role in the discovery of the AIDS virus (see page 104). Nevertheless, the congressional scrutiny is unlikely to enhance the laboratory's reputation. Allegations were also made at the hearing that Gallo's deputy laboratory manager may have violated conflict of interest rules, by representing the Reponsif Company in a meeting with the Food and Drug Administration in 1986.

Under questioning, Raub disclosed that existing NIH reporting regulations had never exposed a case of conflict of interest.

"Either we have a situation where human beings involved in NIH contracts are not falling victim to human nature, or agency procedures for detecting such conduct are not very good", pointed out Representative Ron Wyden (Republican, Oregon). "I would like to believe the former, but the evidence seems to indicate otherwise", Raub agreed.

G. Christopher Anderson

NATURAL HISTORY MUSEUM

'Disneyland' dispute on hold for a week

London

A STRIKE over job losses at the British Natural History Museum last Friday was narrowly averted when a branch meeting of the scientists' trade union, the Institution of Professionals, Managers and Specialists (IPMS), voted to defer action pending discussions the museum's trustees.

Nevertheless, the IPMS is likely to ballot its members today (Thursday) for a mandate to take strike action in the future over job cuts proposed in the museum's corporate plan. The plan proposes a loss of 51 of its 300 science posts, but researchers have expressed concern that the museum's role as a pre-eminent taxonomic research centre would be threatened (see *Nature* 335, 4; 3 May 1990). For their part, museum director Neil Chalmers and the museum's trustees have agreed not to submit the corporate plan to the museum's parent body, the Office of Arts and Libraries, without consulting the IPMS.

Neil Chalmers was dean of science at the Open University in Milton Keynes for three years before his museum appointment.

A group of 21 senior biologists and Earth scientists at the Open University have written an open letter urging their former colleague "in the strongest possible terms" to reconsider the plan.

The plan was condemned savagely by John Evans, outgoing president of the 132-year-old Geologists' Association, addressing the association's annual general meeting last Friday. Predicting that the plan would kill off geology and palaeontology in Britain, Evans commented that the plan "has not been written in English; it has been cobbled together in American-style business jargon presumably courtesy of Disneyland where many of the museum's administration went to learn such jargon".

Henry Gee

FOSSIL REPTILE

Chipping in to keep Lizzie

London

STANLEY Wood, owner of 'Lizzie', the fossil of the earliest-known reptile which he discovered at East Kirkton in Scotland, has come down in price by £10,000, to £195,500, including tax. This will make it more affordable to the National Museums of Scotland (NMS), which must provide the money before 31 July to prevent the fossil's export to the Museum für Naturkunde in Stuttgart (see *Nature* 343, 398; 1 February 1990). Wood's gesture, which applies exclusively to NMS, matches a donation by the Geologists' Association to the NMS appeal fund. This now stands at £121,150, with £74,000 still to find — meaning that NMS must attract £902.44 per day to meet the target.

Henry Gee