

**Maringo, Gerri**

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**From:** SOM All Faculty  
**nt:** Friday, October 21, 2005 12:53 PM  
**To:** SOM All Faculty  
**Subject:** Message from Arthur S. Levine, M.D.

FROM: Arthur S. Levine, M.D.  
TO: Faculty in the Health Sciences  
DATE: October 21, 2005  
SUBJECT: Faculty Contact with Investment Analysts

There have been recent articles, both in the general press and in educational publications, about a newly reported type of scientific consulting for the business world. These news reports have described the growing practice by investment analysts of paying consultant fees to researchers for pre-publication information or opinions on experimental drugs, biologicals, or devices that are in clinical trials.

I am sending this memo to caution our research community of some of the perils of this type of consultation. Pre-publication information can be a very valuable commodity in the hands of persons trading in securities of manufacturers of the materials being tested. Divulging unpublished research results in which you are directly connected could be a violation of confidentiality provisions that are part of most commercially sponsored research agreements and could subject you to liability. Further, in order to create an even playing field for all investors in publicly traded companies, federal regulatory agencies such as the Securities and Exchange Commission enforce federal laws criminalizing the buying or selling of shares based on non-public information affecting such companies.

Because of the potential for personal liability for faculty, as well as the potential for conflict of interest, I am advising caution in dealing with such persons. First, as is true for all consulting activities of our faculty, advance approval by your immediate supervisor (e.g., division head, department chair, or dean) is required in accordance with University Policy #02-06-01, Outside Employment. Secondly, faculty should be careful in what they discuss outside the contents of the published literature. Certainly, you must not reveal, as part of your paid consulting activities, any unpublished research information from research studies in which you are involved. With respect to unpublished material presented in part at an open scientific meeting, any comments you make must be limited to what was actually presented. These rules apply to both actual research results and your opinion of the status or the likely outcome of the research. As for clinical trials in which you are not directly involved, I urge you to exercise caution. Any information or opinion which you have on the basis of unpublished confidential sources should not be provided.

10/21/2005