

# Cancer charity spending comes under fire

**Paris.** A question mark is hanging over the future of France's largest medical charity, L'Association pour la recherche sur le cancer (ARC), following the leak of a report from the Cour des comptes — the government's national audit office — raising serious doubts about the way the charity is run.

ARC's income in 1993, totalling FF581.2 million (US\$118 million) was around five times the combined spending (excluding salaries) on cancer research by the Centre National de la Recherche Scientifique (CNRS) and the biomedical research agency INSERM over the same period. But according to the audit report, the charity's spending on research that year amounted to only FF124.57 million — just one-quarter of its total expenditure.

The charity had previously claimed that three-quarters of its spending in 1993 was on its stated aims of "research, prevention and information". But the report, details of which were published last week by the newspaper *Libération*, also revealed that ARC's accounts put three-quarters of the costs of a fund-raising campaign into this category.

Furthermore, two-thirds of ARC's 1993 spending went to four companies, all belonging to the same group, according to the audit. Contracts with ARC, it claims, accounted for most of the turnover of the companies, while a director of one of the companies is a former director general of ARC, and was assistant director of ARC's magazine *Fondamental* until mid-1994.

The apparent implication is that much of the money collected by ARC was used to finance the development of these companies, although the charity has denied any knowledge of the links between the companies. The audit also found evidence — which it has passed on to the public prosecutor of Paris — of what it claims to be substantial overcharging and excessive commissions by the companies, which were paid by ARC to organize its public relations and produce its two magazines.

The handling of the funds that did go to research is also strongly criticized in the audit. Less than 60 per cent of ARC's grants were approved by a scientific committee, the remainder being passed either by ARC's executive board directly, or at the personal discretion of ARC's founder and chairman, Jacques Crozemarie, who operated an 'emergency' research fund of FF20.17 million in 1993 — a quarter of the sum that passed through scientific committees.

Many grant recipients were also unable to provide the audit with receipts confirming how they had spent their ARC grants. Such lax accounting would have been avoided, according to one INSERM official, if researchers had respected an obligation on scientists working for public research organizations to have the use of grants received

from outside sources scrutinized by the agency itself. But both ARC and grant recipients failed to inform the research organizations systematically of their grants.

One result is that the agencies have lacked precise information on their total budgets. The CNRS and INSERM had estimated that they received FF27.8 million and FF13.9 million respectively from ARC in 1993. But the audit put the real figures at FF53.7 million and FF21.5 million, adding that if such information had been provided by the ARC, it would have led to a better overall use of resources.

The audit's findings are not totally unexpected. Rumours about the running of ARC have circulated for at least 15 years. But the charity — which has enjoyed the support of

many prominent cancer researchers — has fiercely resisted external scrutiny. An investigation in 1990 by the Inspection générale des affaires sociales (IGAS), for example, was stopped after just two months when Crozemarie won a court ruling that, although IGAS is responsible for investigating public authorities, it has no right to investigate charities.

## Crozemarie: questions raised over leadership.

The preliminary findings of the IGAS investigation — which were leaked to the press in 1994 — were almost identical to those of the audit commission (see *Nature* 372, 493; 1994). But ARC, which hotly contested the findings, weathered that storm partly by soliciting letters of support from more than a thousand researchers.

The audit commission was able to investigate ARC only because of a new law passed in 1991, specifically prompted by the government's frustration with its inability to investigate ARC, that gave it the power to do so. ARC's first public reaction was to challenge the audit commission's findings. In particular, Olivier Metzner, a lawyer representing the cancer charity, claimed that half of the charity's spending went on research in 1993, and not 27.2 per cent as the audit had calculated.

But at an emergency meeting of the executive board of ARC the following day, this argument was rejected as indefensible, according to one official present. Instead, the board appointed a six-man working group made up of members of the board — but excluding Crozemarie — to investigate and respond publicly to the audit's allegations, and to propose changes in the way the charity is run, in order to ensure greater transparency in its activities.

But observers have been quick to point out that, by law, anybody subject to an audit investigation has two months to respond, and that both the report and the responses are then made public. Also, some of its members had seen copies of the report several weeks before the so-called 'emergency' meeting.

Furthermore, although the working group excludes Crozemarie, it is nonetheless made up of members of ARC's board, which has endorsed the charity's practices in the past and defended them against similar allegations. Critics argue that the board should have set up an independent committee to review the allegations, suspending its own activities until such investigations have been completed.

Indeed, some claim that the composition of ARC's board has been part of the problem. The boards of many charities are made up of independent individuals responsible for overseeing the running of the organization. But many members of ARC's board receive funding from the charity. One member, for example, Dominique Bellet, director of the immunochemistry laboratory at the Institut Villejuif, near Paris, received the single largest ARC grant in 1993, FF8 million.

"Such a situation hardly leaves the board's members in a good position to exercise control," says one observer. Most of ARC's board members are said to have been personally chosen by Crozemarie. Moreover, according to one board member, the representatives of government ministries sitting on the board did not properly exercise control. The ministries, he claims, often either failed to send representatives to meetings, or sent inexperienced officials who were easily dominated by powerful board members.

One board member, Léon Schwartzberg, has publicly admitted that the board was lax. The most important consideration, he said, was that income kept increasing. But the audit's findings seem to have shaken the board into action. Pierre Tambourin, the CNRS representative on the board, says that at last week's meeting he had the "impression of taking part in a real board meeting in which influential people were taking part and during which the representatives of the public authorities used their full weight".

Similarly, the working group, meeting for their first time last weekend, suspended all new contracts with the companies accused of overcharging in the audit report, and said that the charity would sign the Charter of Deontology, a code of conduct that has already been adopted by several other charities, including the French Muscular Dystrophy Association.

The board's belated efforts to restore its credibility have included distancing itself ►

# UK geographers vote to cut links with Shell

**London.** Members of Britain's Royal Geographical Society (RGS) have voted in favour of dropping the Shell oil company as one of the society's four corporate patrons in protest at the multinational's environmental record in Nigeria. The size of the vote — 204 in favour, with 10 against — has led to calls for the RGS's ruling council to sever the society's links with Shell immediately.

David Gilbert, a lecturer in geography at Royal Holloway College, University of London, who moved the motion during a meeting at the annual conference of the society last week, said in a statement that Shell's environmental and political record in Nigeria "makes the company unfit to be patron of any society representing practising geographers". A spokesman for the company responded by saying that it would be "sad" if the link were severed.

Shell has been heavily criticized for failing to intervene to stop the execution by the Nigerian government last November of Ken Saro-Wiwa and eight other activists belonging to the Movement for the Survival of the Ogoni People (MOSOP). MOSOP claims that oil exploration and drilling from Shell installations in the Ogoni region has devastated the local environment, and that the Ogoni people have been denied their share of the wealth generated by the oil industry.

Gilbert says the RGS's link with Shell compromises the integrity of academic studies of the Ogoni issue, and claims that "Shell is attempting to buy legitimacy in these areas through its patronage of the society".

The charges are denied by Shell. While admitting the existence of "environmental problems" in the area, company officials say they cannot become involved in the domestic politics of a sovereign state. The company also says that it contributed \$25 million towards environmental and community projects in Nigeria last year.

Eric Nickson, a spokesman for Shell International, adds that Shell spent more than £10 million on conservation, environ-

ment and development last year. The company's £40,000 (\$60,000) annual grant to the RGS, he says, helps to fund the Expedition Advisory Centre, "an effective means to help young people to take an interest in environmental development issues".

The vote, which was taken on 5 January at an open meeting at the RGS conference at the University of Strathclyde, Scotland, has no constitutional status within the RGS.

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### Saro-Wiwa: execution prompted protests.

But the strength of feeling among members at the meeting has prompted the society's governing body to take steps to address the issues raised.

The implications of corporate patronage for a learned society will be the subject of an internal review chaired by Sir Crispin Tickell, a vice president of the RGS and Warden of Green College, Oxford. The names of the society's four corporate patrons — which also include British Airways, Land Rover, and Hong Kong and Shanghai Bank Holdings — appear on the society's stationery.

Meanwhile, the question of the environmental impact of multinational corporations working in the developing world is to be considered at a special RGS symposium later in the year.

According to Tim Unwin, honorary secretary of the RGS and reader in geography at Royal Holloway College, University of London, both steps have been taken in order to show that "a major learned

► (from page 103) from Crozemarie. Responding to public statements by Crozemarie that he would dissolve the charity rather than resign, the working group last weekend reminded him that such a step would require approval of ARC's general assembly. "It is divorce," said one board member.

According to an official present at the emergency meeting, most board members also opposed keeping Crozemarie as chairman of the charity. The only reason Crozemarie was not asked to resign immediately, he says, is that the board wanted time to find an "irreproachable" successor, such as a retired judge or a leading scientist from a field other than cancer research.

The working group admits that its aim is to re-establish public confidence in ARC and ensure the charity's survival. This goal is shared by many researchers who argue that funding from charities is essential to the livelihood of their laboratories. Most public funding goes on salaries and overheads, and private income provides much needed funds for equipment and supplies.

Other researchers argue, however, that the ARC affair reveals that the influence of charities is disproportionate compared with the state's total spending on biomedical research, and carries the risk of concentrating control over research excessively in the hands of a few powerful individuals.

**Declan Butler**

society can be completely open about a controversial subject and move forward in a positive way".

Despite last week's vote and the impending sponsorship review, some observers believe that the 166-year-old RGS is unlikely to make major changes in its present policy of actively encouraging government and industrial sponsorship for its activities, particularly its showpiece multidisciplinary expeditions overseas.

The RGS's political and industrial connections, as well as its access to many diverse sources of funding, are envied by many organizations. Indeed, this is believed to a key factor behind a vote last year by members of the more academic but relatively impoverished Institute of British Geographers to rejoin the RGS after breaking away in 1933.

Other learned bodies, such as the Royal Society and the Institute of Physics, also maintain links with industry — but have no tradition of corporate patronage. The oil company Esso sponsors an award and a medal in conjunction with the Royal Society. The 21,000-member Institute of Physics (IOP) operates a scheme in which commercial organizations can become 'corporate affiliates' by paying £2,000.

Asked if the IOP would consider an application for affiliation from Shell, Susan Partridge, industrial affairs manager at the IOP, says such a request would not be automatically ruled out. "Affiliates are not screened on commercial criteria, as that would exclude important branches of physics," she says. "Physics comes first."

Environmentalist organizations have also found ways to harness corporate support. Ten per cent (£2 million) of the income for the World Wide Fund for Nature (WWF), for example, comes from corporate activity, including a scheme in which the WWF licenses its panda logo for products that are produced using eco-friendly methods.

WWF has also accepted both unsolicited as well as project-oriented donations, known as Corporate Partnerships, from Shell. The former includes a sum of £9,600 received between 1992 and 1995. A Shell-supported project on wildlife habitat and forestry plantations is an example of the latter.

Robin Pellew, chief executive of WWF, says candidates for Corporate Partnerships are screened for ethical and environmental credibility. "WWF did not know of Shell's activities in Nigeria" when the company was last approached. WWF, he adds would not approach Shell in the future, but would not turn down unsolicited donations.

A spokesman for Shell, however, says that its £9,600 donation to WWF was not unsolicited. "A number of ideas were circulated by WWF and we made a donation to one of them."

**Ehsan Masood**