

Life Partners to raise money from multiple investors to buy policies. However, one SEC official says that the SEC in fact does consider the transactions to be securities, but is hesitant to attempt to impose federal regulations for several reasons, most importantly the need of some terminally ill people for such a benefit: It would simply cost companies too much to meet the regulatory requirements attendant on selling securities, and thus drive them out of business. The official also says the relatively low dollar amounts involved in most settlements (\$100,000 or less) are "not even on the [SEC] radar." There is also little interest in viatical settlement regulation in

Congress, although the Republican "Contract with America" did contain a provision making viatical settlements tax-exempt (they are currently taxable).

The SEC did decide to go after Life Partners because of the perceived potential for fraud being perpetrated on small investors. Ironically, it is not clear whether the litigation has fed the problem or not. "The more severe the SEC became, the more Life Partner 'wannabes' have cropped up," says Larson. "It's basically alerted all the con men in the nation that there's 'gold in them thar hills'." Larson also says that the primary methods of financing now in the "mainstream" viatical industry are based on

bank financing, public offerings and so forth, and are thus not subject to the same possibility of abuse.

Given the rapid growth of viatical settlement companies, it is important for patients and their doctors to remember that there are often other — and better — options available, such as "accelerated benefits," offered some life insurance companies. "Because of its newness, it has stolen the limelight from more traditional things," says Larson, who advises patients to "absolutely consider other options before viaticating." However, the advances in antiviral drugs and the possibility of regulation may soon make that advice moot.

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Is new AIDS report just another piece of paper?

On March 13, 1996, an independent panel of more than 100 academic and industry scientists and community advocates unveiled a set of recommendations for reforming the US\$1.4 billion National Institutes of Health (NIH) AIDS research program. The much-trumpeted report, commissioned by the NIH Office of AIDS Research (OAR) Advisory Council, is intended to serve as a "mid-course correction" in a 15-year-old battle against AIDS that has armed us with several drugs to fight the disease, but still no effective vaccine. The recommendations are now in the hands of NIH officials, who will decide which recommendations will be translated into action, and when this will take place. The authors of the report are generally optimistic about its implementation, but others are not, citing a dense trail of AIDS documents that failed to have any significant impact.

The report is supposed to suggest ways to streamline research efforts and to design a strategy to maximize the benefit from limited AIDS resources. Among the report's recommendations is a call for a clear definition of AIDS and AIDS-related research, a recommendation that comes in response to the disturbingly widespread use of AIDS funds for non-AIDS-related, or only peripherally related research. Other recommendations include strengthening current vaccine and basic human immunology research, toning down drug discovery efforts in areas where pharmaceutical companies have an interest, developing a comprehensive

HIV prevention agenda, and merging all existing adult clinical trials networks into one entity. The report also called for investigating the potential risks and benefits of the many complementary and alternative therapies widely used by people with AIDS.

Despite its many recommendations, the report did not contain dollar signs, nor did it suggest a timeline for implementation of the recommendations. These omissions were intentional, according to Arnold Levine of Princeton University, who chaired the working group. "We didn't want to micromanage," said Levine. "We wanted to give the people who implemented the report the time and the ability to do it with some flexibility."

Although several AIDS activist organizations have endorsed the report, including Treatment Action Group (TAG) and the American Foundation for AIDS Research, others feel that the intentional omission of an implementation strategy means that the panel simply took "15 months to say the obvious," according to Wayne Turner, a spokesperson for ACT-UP, Washington, DC. Turner does concede, however, that although the report states the obvious, it is important because now that the independent panel has acknowledged a need for reform in AIDS research, the NIH must respond by deciding how broadly it will endorse these recommendations.

William Paul, director of the Office of AIDS Research (OAR), says "some of these [recommendations] are obviously

ones that ought to be put into effect as quickly as possible, others may be much more complex, and there will be instances in which the group may have not thought out carefully some of the complexities and it may, in the end, prove that the strategy they suggest will not be the ideal one." Paul did not comment on which recommendations he believed would fall under which category.

The 1997 budget has already been submitted by the president to Congress, and while changes will be made to the already planned budget, the greatest impact of the new recommendations will be seen in 1998, a lag Turner and others call "unacceptable." Paul says with typical caution, "We want to move as quickly as we can, but we don't want to err by moving in a way that's unwise."

But such caution does not placate the urgent demands of activists. Kiyoshi Kuromiya, a panel member and director of the Critical Path AIDS Project, a patient advocacy group, says that "the reason for the general failure of the federal response to AIDS is the fact that there hasn't been overall leadership." Kuromiya points to competition between scientists, duplication of effort, and programs that did not work as part of the failure. Kuromiya believes that strong leadership can "put teeth behind these recommendations" and will be the telling factor in how — and if — this report will affect government-sponsored AIDS research efforts.

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