

NSF Official's Finances Probed by Justice

House science committee says it asked federal agencies to look at David T. Kingsbury's ties to biotechnology industry

THE chairman of the White House's Biotechnology Science Coordinating Committee (BSCC), David T. Kingsbury, has denied allegations that he has had business dealings with biotechnology companies that have compromised his activities as a public servant.

In a statement issued 16 October, Kingsbury said he has not been actively involved with any biotechnology company since he became assistant director for biological, behavioral, and social sciences at the National Science Foundation (NSF) in June 1984. His remarks came in response to the House Science, Space, and Technology Committee's disclosure on 15 October that it had asked the Department of Justice, NSF, and the Office of Science and Technology Policy to examine his financial dealings.

Committee Chairman Robert Roe (D-NJ) and ranking Republican Manuel Lujan, Jr. (NM), requested the investigation in April after the committee learned about a report issued by a privately held British company, Porton International. The 1986 publication identified Kingsbury as a "founding director of IGB Products, Ltd., and its scientific adviser." The California company is one of a host of Porton subsidiaries that are involved in biomedical and bioindustrial products and services.

The House science subcommittee on oversight and investigations had been keeping its investigation of Kingsbury confidential pending the findings of federal agencies. After receiving a number of inquiries from reporters, however, it issued a brief statement.

Kingsbury has played a central role in the formulation of broad guidelines governing the conduct of recombinant DNA research and the commercialization of biotechnology products. The regulatory framework issued in June 1986 sought to coordinate regulatory actions at the National Institutes of Health, Department of Agriculture, Environmental Protection Agency, and other federal agencies. Kingsbury headed two White House groups that oversaw the drafting of the framework—the Domestic Policy Council Working Group on Biotechnology, and the BSCC.

At issue is whether Kingsbury has had any financial relationships with Porton International or other biotechnology companies that would pose a conflict of interest. Although the State of California shows him as a director of IGB, Kingsbury says he never agreed to serve as an IGB director. He adds that he wrote a letter to Porton International in October of 1986 protesting the use of his name in their corporate literature.

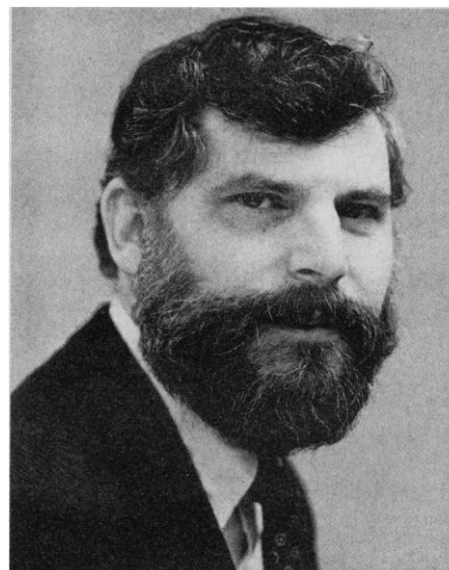
Kingsbury volunteers that he helped form the company prior to joining NSF. But he says that he formally "suspended" his working relationship with IGB before starting work at NSF. With the exception of travel money to attend speaking engagements, Kingsbury says he has not accepted any compensation from any biotechnology concern while in public office.

But, his ties to IGB have raised questions. His 21 May 1986 financial disclosure statement to NSF shows he received an unspecified amount of IGB Products common stock. He indicated that it had a value of \$1000 to \$5000. In a subsequent disclosure dated 8 May 1987, he said that he returned the stock to IGB in October 1986, stating it had no value.

Kingsbury told *Science* that he had erred in declaring that the stock had a value of \$1000 to \$5000. He says he never really owned the stock because he failed to pay the company anything for it. If he had purchased it, the 15 shares would have been worth no more than \$75, he says. Kingsbury notes that federal employees are not required to disclose holdings valued at less than \$1000.

In general, federal workers are not prohibited from owning stock in companies. But, an attorney at NSF's Office of General Counsel notes that employees must abstain from taking part in government activities that can directly affect one's personal finances or business interests.

NSF's Office of General Counsel has completed its investigation, but will not reveal its findings until other federal reviews are finished. NSF Director Erich Bloch, however, appears to support Kingsbury at this time. "Our counsel has investigated the information that we have received, plus addi-



David T. Kingsbury says he has taken no money from industry since joining NSF.

tional information that we have ourselves. He reviewed his conclusions with me some time ago. Based on that information and his analysis, I conclude that we should not take any administrative action at this time. It is not warranted by what I saw in that report," said Bloch in response to reporters' questions.

Kingsbury says he informed NSF when he joined the agency that he was serving on the board of directors of another Porton subsidiary, International Medical Diagnostics of Encino, California. This company runs diagnostic and treatment clinics for infectious diseases. Because IMD's commercial activity is governed by another federal agency, the Food and Drug Administration, Kingsbury says "he never viewed it as a conflict of interest." NSF's general counsel okayed the activity, which Kingsbury halted in November of 1986.

Another matter that investigators are examining is the acquisition of stock in two other companies with ties to the biotechnology industry—Chiron Corporation and New Brunswick Scientific. Kingsbury disclosed these acquisitions in his 8 May 1987 financial statement.

He says these stocks were purchased in June 1986 by his wife, Deborah A. Smeltzer, an analyst with the Baltimore brokerage firm of Baker, Watts and Company. At the suggestion of NSF's general counsel, Charles H. Herz, the Chiron stock was sold "to avoid the appearance" of a conflict of interest, he says.

The Justice Department and other federal agencies are expected to complete their review of Kingsbury's business dealings within the next several months. ■

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