

obtaining research funds from the EU, which usually requires collaboration with laboratories in other countries. The EU now provides about two-thirds of all direct science funding in Ireland. "We've become expert internationalists," says University College Cork's Maguire. "I estimate I pay more in taxes on my overseas research income than I receive in grants from the Irish government," says Mills. Some scientists are also resorting to shifting their work toward applied research to get funding from the government. "I'm doing research I wouldn't have done in the U.K.," says Mills. Although many researchers welcome the challenge, others worry that applied research may threaten their ability to compete internationally in basic research in the longer term.

Although the prospects of extra funding look ever dimmer to researchers, the government's science and technology agency, Forbairt, has won some plaudits by overhauling its grants procedure. In the past, Forbairt has tended to spread its funds as widely as possible, and as a result grants would only be partially funded. Now, following suggestions made by STIAC, it is trying to allocate its tiny budget for basic research on the basis of excellence and relevance. Biochemist Luke O'Neill of Trinity College Dublin, who returned from the United Kingdom 5 years ago, says that his application for \$75,000, which is large by Irish standards, was almost fully funded. "The review procedures have become much more open, and the changes are welcome," he

says. Researchers are also encouraged by a strengthening of the review procedures at the Health Research Board, which supports biomedical science.

In the face of all the current uncertainty, however, scientists are again examining their career prospects. Although Mills does not regret returning home to Ireland, he worries about the future. "I would still have come back knowing all the problems, but I just wonder how long I can keep it all going," he says. And if the STIAC report turns out to do little more than gather dust on ministerial shelves, prospects look bleak. "It's more depressing than 3 years ago," says Fegan. "It's time for scientists to take to the streets again."

—Nigel Williams

INDIRECT COSTS

Judge Dismisses Suit Against Stanford

Stanford University stumbled into an unwelcome spotlight 6 years ago when it was forced to admit having billed a 72-foot yacht—Jacuzzi and all—to taxpayers. A bitter scandal ensued, but Stanford survived repeated government investigations, which found nothing more than accounting errors. Now it is sailing past the last remaining legal obstacle. On 26 August, a federal judge in San Jose, California, mailed out a ruling dismissing a multimillion-dollar suit filed by Paul Biddle, a federal accountant who first raised concerns about Stanford's billings.

The dismissal, which Biddle is appealing, could bring to an end one of the most costly and rancorous disputes ever between the government and a major research institution. The billing scandal ultimately led to the resignation of Donald Kennedy, Stanford's president, and cost the university nearly \$40 million in accounting and legal fees, not to mention tens of millions more in slashed funding. Universities nationwide were affected by the fallout in Washington. "Unfortunately, I think the whole incident left the feeling that there was something wrong at Stanford and, by extension, all universities," says Cornelius Pings, president of the Association of American Universities. Now, he says, "we know by hindsight that there was nothing wrong at Stanford."

The dispute involved indirect, or overhead, costs of research, such as utilities, libraries, general administration, and building maintenance. From 1981 to 1992, the years in dispute, Stanford received \$813 million in overhead. The university encountered only routine disputes over its billings until 1989, when Biddle, a rump, sometimes fero-

ciously combative accountant at the Office of Naval Research, the agency responsible for overseeing the university's billings, began to express concerns about overcharges.

Biddle's charges were seized upon by investigators for Representative John Dingell, the widely feared Michigan Democrat. The scandal bloomed with the discovery of *Victoria*, a sailing team yacht that was depreciated as a research expense. Stanford accountants blamed a computer glitch for the \$184,286 billing and pointed to at least one



Accounting error. Stanford's mischarged yacht became a symbol of an exaggerated problem.

even larger amount that it had failed to charge the government. Nevertheless, Dingell aides anonymously asserted that the yacht was part of a broad pattern of fraud involving \$200 million or more. Dingell held a searing hearing in March 1991, and Kennedy later stepped down as president.

Federal auditors followed in January 1992 with a claim that Stanford might owe as much as \$300 million if the university's billing agreements with the government were fraudulent. But the Department of Justice announced in December 1993 that it could

find no evidence of fraud, and the Navy separately said a year later that its own review found no "fraud, misrepresentations, or other wrongdoing." The university ended up paying only \$1.2 million to settle with the Navy, bringing to \$3.4 million the total returned to the government.

Stanford's trials were not over, however. Biddle filed suit in September 1991 under a law that allows private citizens to bring legal action in cases of alleged fraud in government contracts and to keep a portion of any money that is reclaimed. Biddle potentially stood to gain tens of millions of dollars. But District Court Judge Ronald Whyte dismissed the suit last month on the grounds that Biddle, who was assigned by the Navy to oversee Stanford's billings, was simply doing his job and deserves no special recompense for finding potential fraud.

Timothy Rastello, one of Biddle's attorneys, notes that Whyte did not address specifically whether overcharges occurred and says "Stanford got away with more than \$200 million that it shouldn't have gotten." But the university's current president, Gerhard Casper, released a written statement after the decision's release expressing regret that "the reputation and integrity of individuals and institutions have been sullied" by the "sensationalism that characterizes so much of our public life."

Nobody took more satisfaction in the judge's ruling than Kennedy, who is now a professor of biological sciences. "On every one of [the major] issues, Stanford has prevailed," Kennedy says. Still, he notes that these victories may not erase memories of the initial furor: "The fact of life is that settlements and ultimate judgments get carried on page 17 when the accusations got carried on page one."

—Jock Friedly

Jock Friedly is a writer in Arlington, Virginia.