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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

BRUCE A. COHEN, *Chief Counsel and Staff Director*
KOLAN L. DAVIS, *Republican Chief Counsel and Staff Director*

May 4, 2011

Via Electronic Transmission

Benita Shobe
President and Chief Executive Officer
NARSAD
60 Cutter Mill Road, Suite 404
Great Neck, NY 11021

Dear Ms. Shobe:

In December 2009, I asked for an accounting of industry funding that NARSAD receives from pharmaceutical and medical device companies as well as foundations established by these companies or the insurance industry. I appreciate your response, which I have attached to this letter. I write today to follow up on any efforts by your organization to improve transparency and accountability in its relationships with the pharmaceutical and device industries.

As I stated in my previous letter, I started my inquiry, in part, as a result of accounts documenting the lack of transparency in financial relationships between the pharmaceutical industry and nonprofit health and medical organizations. Specifically, I cited the April 2008 article in *The Wall Street Journal*, which reported that industry representatives, including ten major drug companies, had formed a coalition to promote looser restrictions on off-label marketing.¹ The coalition had asked the National Alliance on Mental Illness (NAMI) to speak in favor of this issue.

In response to my concerns in my April 2009 letter to NAMI, NAMI began to voluntarily disclose to the public any amount of funding exceeding \$5,000 that it received from pharmaceutical companies and foundations on its website. Further, NAMI began to provide a brief description of the purpose of the funding on its website. I commend NAMI for its leadership and had hoped that when I reached out to your organization and 32 others, your organization would follow NAMI's example and begin posting similar funding information on NARSAD's website.

As of the date of this letter, it appears that your organization has taken steps to identify on its website the corporate or industry sponsors and their range of funding support. However, the website does not specify the purposes of that funding. If NARSAD is currently taking steps to

¹ Alicia Mundy, "Off-Label Use of Drugs Gets a Push --- Big Pharma Lobbies Washington to Relax Rules on Marketing," *The Wall Street Journal*, April 18, 2008.

further enhance the transparency of its financial relationships with the pharmaceutical and device industries, I would appreciate information regarding those steps. In particular, please state whether or not NARSAD will be adding information in the future about the purpose of the funding it receives. If not, please explain why not.

The Medicare Payment Advisory Commission (MedPAC) recommended in a report to Congress in March 2009 that Congress require that pharmaceutical and device companies report their financial relationships with physician groups, patient organizations, and others. More specifically MedPAC said the following:

Given the potential benefits of public reporting, we recommend that the Congress mandate the reporting of comprehensive information on industry relationships with physicians and other health care entities and that the Secretary post this information on a public searchable website.²

MedPAC then went on to say in Recommendation 5-1 that:

The Congress should require all manufacturers and distributors of drugs, biologicals, medical devices, and medical supplies (and their subsidiaries) to report to the Secretary their financial relationship with: . . . physician groups and other prescribers . . . patient organizations; and professional organizations.³

I look forward to working with you and other health and medical organizations to further increase sunshine on financial relationships.

Thank you for your cooperation and attention in this matter. I would appreciate a response by May 25, 2011. If you have any questions, please do not hesitate to contact Brian Downey for the Committee on the Judiciary at (202) 224-5225.

Sincerely,



Charles E. Grassley
Ranking Member

Attachments

² Medicare Payment Advisory Commission, "Public reporting of physicians' financial relationships," Report to Congress: Medicare Payment Policy, March 2009.

³ *Id.*

NARSAD

The Brain and Behavior Research Fund

December 8, 2009

Via Electronic Transmission

Senator Charles E. Grassley
Ranking Member
United States Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Mr. Grassley:

As per your letter dated December 7, 2009, attached is an accounting of industry funding (as defined by your letter) that pharmaceutical, medical device companies, foundations established by these companies or the insurance industry have provided to NARSAD for the period covering January 1, 2006 to the present. For each year, we have prepared a chart identifying the year, name of company, amount of funding, and reason that the funding was provided.

In addition, we are responding to your questions, from the same letter noted above, for the period covering January 1, 2006 to the present. As requested, we are first repeating your enumerated question followed by the appropriate answer.

1. Please describe the policies for accepting industry funding and whether or not NARSAD allows companies to place restrictions or provide guidance on how funding will be spent.

Answer: NARSAD's mission is to support research on mental illnesses. We fund research by scientists and we do not use industry funding to support our scientists' work, although these funds do contribute to our educational programs. NARSAD solicits industry funding for our educational programs but does not allow companies to place restrictions or provide guidance on how funding will be spent.

2. If NARSAD allows companies to place restrictions on industry funding, then please explain all restrictions and/or guidance for each transfer of value from industry. For every transfer of value with a restriction, please provide the following information: year of transfer, name of company, and restriction placed on funding.

Answer: NARSAD solicits industry funding for our educational programs but does not allow companies to place restrictions or provide guidance on how funding will be spent.

3. Please explain what policies, if any that NARSAD plans to adopt to ensure transparency of funding in order to provide a greater public trust in the independence of your organization.

Answer: NARSAD already lists contributors of \$1,000 and above on the organization's annual report which is available on our website and as a publication.

4. Please explain your policies on disclosure of outside income by your top executives and board members.

Answer: NARSAD has policies dealing with the code of ethical conduct, conflicts of interest and whistleblower protection in place.

Leading the Search for Cures

5. Please provide the disclosures of outside income filed with your organizations by your top executives and board members.

Answer: NARSAD is instituting a conflict of interest disclosure form to be completed annually by board members and employees.

We are pleased to be cooperating with the United States Senate Committee on Finance's review. If you have any questions, please contact me or Louis Innamorato, NARSAD's Chief Financial Officer.

Sincerely,

A handwritten signature in cursive script that reads "Benita Shobe /cp".

Benita Shobe
President and CEO

Attachments

cc: Stephen Lieber, Chairman, NARSAD

NARSAD**Pharmaceutical, medical device corporations and related foundations****Contributions for the period 1/1/2009 - 12/7/2009**

<u>Constituent Name</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>
Amgen Pac-Matching Gift Program	3/24/2009	\$329.72	Matching gift-Employer portion
	4/21/2009	\$50.00	Matching gift-Employer portion
Eli Lilly & Company Foundation, Inc.- Matching Gifts Program	6/29/2009	\$500.00	Matching gift-Employer portion
Eli Lilly and Company	10/9/2009	\$30,000.00	09 New York Symposium
Johnson & Johnson - Matching Gifts	4/15/2009	\$920.00	Matching gift-Employer portion
Neuronetics, Inc.	10/28/2009	\$1,200.00	09 New York Gala
Pfizer Incorporated	10/2/2009	\$50,000.00	09 New York Gala
	10/8/2009	\$50,000.00	09 New York Symposium
Pfizer Matching Gift Center	2/4/2009	\$100.00	Matching gift-Employer portion
Sanofi-Aventis	4/27/2009	\$700.00	Matching gift-Employer portion
Wellpoint Associate Giving Campaign	2/4/2009	\$40.38	Matching gift-Employer portion
	4/17/2009	\$18.23	Matching gift-Employer portion
	4/17/2009	\$30.00	Matching gift-Employer portion
	7/27/2009	\$63.81	Matching gift-Employer portion
	7/27/2009	\$105.00	Matching gift-Employer portion
	10/28/2009	\$90.00	Matching gift-Employer portion
	10/28/2009	\$54.69	Matching gift-Employer portion
Total		<u>\$134,201.83</u>	

NARSAD**Pharmaceutical, medical device corporations and related foundations****Contributions for the period 1/1/2008 - 12/31/2008**

Constituent Name	Date	Amount	Description
Amgen Pac-Matching Gift Program	3/7/2008	\$286.06	Matching gift-Employer portion
AstraZeneca Pharmaceuticals	2/15/2008	\$2,000.00	08 Palm Beach Gala
Bristol-Myers Squibb Company	4/9/2008	\$7,500.00	08 Palm Beach Gala
Cyberonics Inc.	4/2/2008	\$1,000.00	08 Washington, DC Gala
Eli Lilly & Company Foundation, Inc.- Matching Gifts Program	11/24/2008	\$80.00	Matching gift-Employer portion
Eli Lilly and Company	3/6/2008	\$5,000.00	08 Palm Beach Gala
	12/8/2008	\$15,000.00	08 New York Symposium
Forest Pharmaceutical	6/30/2008	\$50,000.00	08 New York Gala
Janssen Pharmaceutica Prod, LP	10/29/2008	\$15,000.00	08 HMAA Symposium
	12/29/2008	\$15,000.00	08 New York Gala
Neuronetics, Inc.	10/6/2008	\$300.00	08 New York Gala
	10/20/2008	\$600.00	08 New York Gala
	10/20/2008	\$600.00	08 New York Gala
	10/20/2008	\$600.00	08 New York Gala
	10/20/2008	\$600.00	08 New York Gala
	11/25/2008	\$3,000.00	Tribute gift
Pfizer Incorporated	12/23/2008	\$100,000.00	08 HMAA Symposium
Pfizer Matching Gift Center	2/5/2008	\$200.00	Matching gift-Employer portion
	3/6/2008	\$96.70	Matching gift-Employer portion
	8/14/2008	\$200.00	Matching gift-Employer portion
	9/4/2008	\$50.00	Matching gift-Employer portion
Sanofi-Aventis	3/10/2008	\$150.00	Matching gift-Employer portion
	7/30/2008	\$250.00	Matching gift-Employer portion
Wellpoint Associate Giving Campaign	2/27/2008	\$103.38	Matching gift-Employer portion
	6/4/2008	\$68.73	Matching gift-Employer portion
	8/8/2008	\$58.92	Matching gift-Employer portion
	10/24/2008	\$50.82	Matching gift-Employer portion
Wyeth-Ayerst Pharmaceuticals	3/13/2008	\$10,000.00	08 New York Gala
	3/13/2008	\$10,000.00	08 Washington, DC Gala
	3/13/2008	\$10,000.00	08 Los Angeles Gala
Total		<u>\$247,794.61</u>	

NARSAD**Pharmaceutical, medical device corporations and related foundations****Contributions for the period 1/1/2007 - 12/31/2007**

Constituent Name	Date	Amount	Description
Amgen Foundation	10/25/2007	\$10,000.00	07 Los Angeles Gala
Amgen Pac-Matching Gift Program	3/9/2007	\$277.54	Matching gift-Employer portion
	12/13/2007	\$50.00	Matching gift-Employer portion
	12/31/2007	\$50.00	Matching gift-Employer portion
AstraZeneca Pharmaceuticals	9/11/2007	\$25,000.00	07 New York Gala
Biotechnology Industry Organization	1/17/2007	\$1,000.00	07 Washington, DC Gala
Bristol-Myers Squibb Company	2/28/2007	\$10,000.00	07 Washington, DC Gala
	10/1/2007	\$50,000.00	07 New York Gala
Eli Lilly & Company Foundation, Inc.- Matching Gifts Program	4/24/2007	\$505.00	Matching gift-Employer portion
	11/28/2007	\$75.00	Matching gift-Employer portion
Eli Lilly and Company	3/12/2007	\$15,000.00	07 Palm Beach
	10/16/2007	\$15,000.00	07 New York Symposium
Forest Pharmaceutical	9/7/2007	\$50,000.00	07 New York Gala
Janssen Pharmaceutica Prod, LP	9/20/2007	\$15,000.00	07 New York Gala
	12/26/2007	\$15,000.00	08 New York Gala
	12/26/2007	\$10,000.00	08 Washington, DC Gala
Johnson & Johnson - Matching Gifts	6/6/2007	\$400.00	Matching gift-Employer portion
Neuronetics, Inc.	9/4/2007	\$3,000.00	Tribute gift
	12/27/2007	\$600.00	General gift
Otsuka America Pharmaceutical, Inc.	2/8/2007	\$5,000.00	07 Washington, DC Gala
Pfizer Matching Gift Center	2/8/2007	\$125.00	Matching gift-Employer portion
Science Applications International Corporation	7/26/2007	\$10,000.00	07 Washington, DC Gala
Vanda Pharmaceuticals Inc.	3/2/2007	\$5,000.00	07 Washington, DC Gala
Wellpoint Associate Giving Campaign	2/8/2007	\$10.50	Matching gift-Employer portion
	5/3/2007	\$88.62	Matching gift-Employer portion
	8/10/2007	\$34.46	Matching gift-Employer portion
	11/9/2007	\$88.62	Matching gift-Employer portion
Wyeth-Ayerst Pharmaceuticals	9/10/2007	\$15,000.00	07 New York Gala
	12/13/2007	\$5,000.00	07 Los Angeles Gala
Total		<u>\$261,304.74</u>	

NARSAD**Pharmaceutical, medical device corporations and related foundations****Contributions for the period 1/1/2006 - 12/31/2006**

Constituent Name	Date	Amount	Description
Amgen Pac-Matching Gift Program	3/9/2006	\$50.00	Matching gift-Employer portion
	3/29/2006	\$263.94	Matching gift-Employer portion
	10/2/2006	\$100.00	Matching gift-Employer portion
AstraZeneca Pharmaceuticals	4/24/2006	\$50,000.00	06 New York Gala
	9/26/2006	\$3,000.00	07 Palm Beach Gala
	12/18/2006	\$2,500.00	07 New York Piano Recital
Bristol-Myers Squibb Company	3/9/2006	\$10,000.00	06 Palm Beach Gala
	4/28/2006	\$10,000.00	06 Los Angeles Gala
	9/11/2006	\$50,000.00	06 New York Gala
Cyberonics Inc.	9/27/2006	\$10,000.00	06 New York Gala
Eli Lilly & Company Foundation, Inc.- Matching Gifts Program	10/23/2006	\$75.00	Matching gift-Employer portion
Eli Lilly and Company	2/7/2006	\$10,000.00	06 Palm Beach Gala
	10/31/2006	\$15,000.00	06 New York Symposium
	12/27/2006	\$50.00	Memorial gift
Forest Pharmaceutical	3/21/2006	\$10,000.00	06 Palm Beach Gala
	10/2/2006	\$50,000.00	06 New York Gala
GlaxoSmithKline Foundation	6/6/2006	\$25.00	Matching gift-Employer portion
Janssen Pharmaceutica Prod, LP	5/31/2006	\$10,000.00	06 Los Angeles Gala
	10/6/2006	\$15,000.00	06 New York Gala
Johnson & Johnson - Matching Gifts	2/23/2006	\$8,000.00	Matching gift-Employer portion
	3/9/2006	\$400.00	Matching gift-Employer portion
	12/14/2006	\$200.00	Matching gift-Employer portion
Neuronetics, Inc.	9/15/2006	\$3,000.00	Internet gift
	12/27/2006	\$3,000.00	Unsolicited gift
Pfizer Incorporated	3/7/2006	\$1,000.00	06 Palm Beach Gala
	9/11/2006	\$25,000.00	06 New York Gala
Pfizer Matching Gift Center	2/23/2006	\$75.00	Matching gift-Employer portion
	7/13/2006	\$100.00	Matching gift-Employer portion
Solvay Pharmaceuticals	8/30/2006	\$50,000.00	06 New York Gala
	10/4/2006	\$10,000.00	06 New York Symposium
Wellpoint Associate Giving Campaign	5/5/2006	\$27.00	Matching gift-Employer portion
	8/24/2006	\$31.50	Matching gift-Employer portion
	12/6/2006	\$27.00	Matching gift-Employer portion
Wellpoint Health Systems	6/19/2006	\$10,000.00	06 Los Angeles Gala
Wyeth-Ayerst Pharmaceuticals	1/20/2006	\$5,000.00	06 Sarasota Gala
	5/18/2006	\$10,000.00	06 Los Angeles Gala
	9/27/2006	\$25,000.00	06 New York Gala
Total		<u>\$396,924.44</u>	