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March 5, 1984

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You will recall that the decision was made in January not to continue the cotinine project at Battelle Columbus Laboratories. However, we have received a statement for professional services in the amount of \$8,400 from Dr. Nicholas Gerber of Ohio State University relating to the Phase II Battelle research proposal. We recommend that payment be made to the OSU School of Medicine in the amount of \$5,150.

In late January, after Battelle was advised that no further research would be supported, we received a bill for consultative services from Dr. Gerber, who is acting chairman of the Department of Pharmacology at OSU School of Medicine. The letter indicates that Dr. Gerber and his staff expended a large amount of time consulting in the Battelle research proposal in the belief that the project had already been approved by the industry. Dr. Gerber's position is that he and his staff would never have prepared such a detailed proposal or attended various planning meetings if they were simply "bidding" on a project. Accordingly, he has requested that our firm reimburse OSU for the time and expenses related to the preparation of the proposal.

It is our recommendation that we pay the OSU School of Medicine for the consultative services of Dr. Gerber and his

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staff that were directed toward the preparation of the research proposal (\$5,150). We do not feel that it is appropriate for us to compensate Dr. Gerber or other persons at OSU for time spent on committee reviews such as the Human Subjects Committee (\$3,250). I have discussed this matter with Dr. Alex Spears who also believes that compensation should be restricted to the professional time devoted to proposal preparation.

It is our present intention to pay the OSU School of Medicine the amount of \$5,150 and we will plan to do so unless we receive opposing views from you by March 16. Since the Battelle research was a Special Fund 4 project, the payment also would come from Special Fund 4.

Sincerely,



Patrick M. Sirridge

PMS:sh

cc: Ms. Janet C. Brown
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