

CURRENT EVENT

Each class member is required to complete one current event summary on a topic that is related to this class. Please select your current event from the Wall Street Journal, Business Week, Fortune, or similar business or real estate oriented publications. The event must have happened within the six months and be relevant to the concepts discussed in the course and the Special Topic list.

You will be presenting the current event to the class. Your presentation will be based on the following guidelines. You will be responsible to lead the class discussion on your topic during your assigned presentation.

You must use the following guidelines for the current events:

Guidelines for Current Event Presentation and Paper

1. Summary of the article. Attach a copy of the original article and web site.
2. Other research about the topic. Both sides must be discussed and argued.
3. What are the facts?
4. What are the assumptions?
5. What are the major ethical issues and concerns? (as it applies to the public, to tax payers, to the government, to lending institutions, to investors).
6. What individuals, groups, and other components of the will be seriously affected by these issues?
7. What may be the positive outcomes?
8. If you had the power, how would you have prevented/modified/solved the situation? (i.e., if you were President for the day, what policy would you enact; if you were in Congress, what laws would enact?)
9. What are the potential outcomes (both positive and negative) of your solution? (i.e. Restructuring the industry, licensing, education, etc.)

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[The example below is based on an "Ethics" issue and a "Medical" topic. Your current event article must be related to Real Estate and to Mortgage Loan Brokerage in specific, and must tie to your "Group Special Topic Report.]

Example of a Good Current Event Presentation

Summary of Current Event - Drug Testing Goes Offshore
<http://www.fortune.com/fortune/subs/article/0,15114,1086394-1,00.html>

This current event centers around ethical issues related to Western drug companies going offshore to conduct clinical trials in poorer countries where costs are lower, federal and international oversight virtually non-existent, and patients more willing to participate in drug testing required for FDA approval.

Western drug companies now conduct about 40 percent of all drug trials in poor countries such as Russia and India. This practice is already well established in Eastern Europe and Western pharmaceutical companies are looking to expand into China. There are a number of factors driving Western pharmaceutical companies towards this trend.

1. The average new drug costs \$900 million to bring to market, and more than half the cost is tied to the four trial phases in which new medicines are tested on humans for safety and efficacy. The drug companies can reduce per patient trial costs from \$30,000 to \$3,000 dollars by recruiting test patients in poorer, underdeveloped countries.
2. People in need of drugs in developing countries are more willing to volunteer for drug testing because they don't have any viable alternatives and the drugs are free. They also receive a complete physical at no cost.
3. The healthcare delivery systems in developing countries are not adequate to address the medical needs of the citizens, so local doctors recruit their patients to sign up as test patients.
4. Local doctors can substantially increase their incomes by signing up patients for drug testing. For example, Russian doctors get paid as much as \$900 dollars for each patient they recruit for drug testing, and there appears to be an endless supply of willing patients. In a country where the average doctors salary is about \$200 dollars per month, there is a strong financial incentive for local doctors to work with Western pharmaceutical companies.
5. The drug companies hope to establish new markets. There are also benefits to patients who are recruited by doctors and participate in drug testing programs. They have access to advanced, new drugs that could help cure their diseases.

Many would argue that the above scenario is a win for all involved, patients, doctors, and the pharmaceutical companies. However, the Federal Drug Administration (FDA) and the World Health Organization (WHO) are concerned that ethical abuses due to lack of oversight will place people's lives at risk. For

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example, Pfizer is being sued for allegedly testing a meningitis drug on Nigerian children without their consent, resulting in five deaths. There have also been allegations of local countries modifying test results, where patients had an adverse reaction to drugs. The FDA performs random site inspections; however, the numbers of inspections are insufficient given the number of test locations in the world.

For example, there were more than 500 trials conducted in Russia alone last year at some 3,000 sites. The FDA inspected only about 100 sites in the entire world in 2004. (1) The FDA has standards of conduct for medical research. However, these internationally accepted guidelines require the establishment of local review boards to approve all trials before they begin. (1) Unfortunately, the FDA's established guidelines are difficult to enforce and until it's time for final FDA review, a drug company's compliance with international standards remains voluntary. (1) In addition, the FDA has no jurisdiction over local review boards. The WHO is involved with Europe and the U.S. trying to keep pace with industry migration and to educate local doctors. (1) However, with drug testing expanding to more countries, it will be a difficult task.

In summary, there are internationally accepted guidelines for drug testing but with the lack of significant oversight and enforcement, financial incentives to local doctors, an endless supply of desperate patients, and drug companies looking to reduce research costs, people's lives hang in the balance.

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What are the major ethical issues and concerns that are raised or/and surround this topic?

1. The drug companies are performing clinical trials in poor countries where there is basically no effective oversight of the process.
2. Local doctors have a potential conflict of interest because they make large sums of money recruiting patients for drug testing, when their first priority should be their patients care.
3. People are being taken advantage of by the drug companies because they are desperate for treatment of their diseases. Drug companies offer drug treatment for free, with access to doctors.
4. Leaders of poor / developing countries are not enforcing the internationally accepted drug testing guidelines. This lack of action could put their people in harms way.

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Questions:

1. Is it ethical for drug companies to setup clinical testing in countries where there is little or no oversight of the clinical trial (drug testing) process? Please answer yes or no and explain your response.
2. Could the World Health Organization (WHO) and the Federal Drug Administration (FDA) do a better job of protecting people around the world? Please answer yes or no and explain your response.
3. Is it ethical for the leaders of poor/developing countries to allow Western pharmaceutical companies to perform clinical testing on their people knowing that process oversight is lacking? Please answer yes or no and explain your response.