

Research Conflicts at UT Austin

The use of hydraulic fracturing, or “fracking,” by the oil and gas industries has been controversial because of the potential risks it may cause to people and the environment. Hydraulic fracturing uses water, sand, and chemicals to pressurize and fracture rocks to free oil and natural gas deep underground. However, fracking can contaminate water, pollute the air, and trigger earthquakes.

In 2012, University of Texas at Austin (UT) professor Charles “Chip” Groat led a study for the Energy Institute at UT that concluded there was no link between fracking and contamination of groundwater. Months later, an independent review by the nonprofit watchdog group Public Accountability Initiative (PAI) revealed that Groat sat on the board of Houston-based drilling and fracking company, Plains Exploration and Production Company. In 2011, the company had paid Groat \$400,000, which was more than double his salary at UT. Groat had also received \$1.6 million in company stock since 2007. One of the shales examined in Groat’s study was being drilled by Plains Exploration at the time.

UT launched an independent review of the research, which concluded that the study was unscientific in its approach. The review found that the research relied on literature reviews and conjecture rather than independent scientific research. The review also found that UT researchers who studied the health effects of fracking did not participate in this study and there was no evidence of participation by fracking experts.

When asked about the failure to disclose his financial ties in the report, Groat stated in an email, “The reason hasn’t changed – my role in the study was to organize it, coordinate the activities, and report the results. ...The results were determined by the individual investigators, not me and I did not alter their conclusions.” He added, “Disclosing my Plains board position would not have served any meaningful purpose relevant to this study.”

Financial ties between universities and industry partners are common. For example, UT has received multimillion-dollar donations from companies such as ConocoPhillips and ExxonMobil and from oil mogul Jon Brumley. Rice University’s Baker Institute receives funding from Chevron and Shell. The University of Wyoming and Pennsylvania State University have also received millions from energy companies.

David Wogan, an energy policy researcher and former student of Groat’s, described the benefits of industry funding and expertise to advance research. But he also noted that potential ties or conflicts of interest should be made clear. He wrote in *Scientific American*, “At the very least, Dr. Groat should have removed himself from the



study. ...Private industry brings a lot of knowledge, experience, and funding, all things that are useful in research. ...But where do you draw the line and distinguish between an appropriate relationship, and...one that compromises the goal of providing unbiased research?"

Later in 2012, Groat retired from UT. Prior to the developments about Groat, the university had begun revising and expanding its conflict of interest rules and procedures. UT Provost Steven Leslie stated, "The most important asset we have as an institution is the public's trust. If that is in question, then that is something we need to address."

Concept: Conflict of Interest

Ethical Insight:

Chip Groat, a respected scientist at The University of Texas at Austin (UT), retired in the wake of an investigation into his failure to comply with UT's disclosure policy for conflicts of interest. Groat led a study for UT's Energy Institute on the impact of hydraulic fracturing on ground water. The study concluded there was no link between fracking and contamination of groundwater. However, Groat did not disclose that, as he conducted the study, he also sat on the board of a Houston-based drilling and fracking company, which had a clear interest in the outcome of the report. He also failed to disclose that the company paid him \$400,000 in 2011, and that he received \$1.6 million in company stock between 2007 and 2012. Had this information been disclosed, Groat's conflict of interest would have been clear to the reading public.

Discussion Questions:

1. Do you think there is a conflict of interest in this case? Why or why not?
2. Do you think it would have been possible for Chip Groat to present unbiased research on fracking even though he received money from the Plains Exploration and Production Company? Why or why not?
3. Groat stated that disclosing his position on the Plains board "would not have served any meaningful purpose relevant to this study." Do you agree? Why or why not? Why do you think Groat believed this? What rationalizations do you think might have helped Groat reach this conclusion?
4. What do you think would have been the most ethically defensible action for Groat to take? Explain your reasoning.
5. Is it possible for a researcher to receive funding from an industry source, research a topic of significant financial importance to the source, and then accurately report objective results? If not, why not? If so, what would you consider to be "best practices" to avoid potential abuses?
6. *Forbes* journalist Christopher Helman wrote, "Does this mean we should automatically reject any energy-related research that comes out of these schools? No. Just because

you may have made money off the oil industry or gotten money from the oil industry doesn't necessarily mean that the conclusions of your research are invalid. Dismissing their work would be akin to ignoring research on the benefits of social networking at Stanford just because it's funded by Facebook and Google. What universities need to adopt is a standard for academic disclosures similar to what was instituted by Wall Street nearly a decade ago after the revelations that investment bankers were leaning on their firms' analysts to go easy on companies they were seeking underwriting business from. The back pages of an academic study should list all the commercial connections the researchers have to their areas of focus as well as all the money the university has received from companies in associated industries." Do you agree with Helman? Why or why not? Can you think of other examples of research in which funding might impact the results of the research?

7. Groat's case demonstrates the pitfalls of a number of biases and behaviors including self-serving bias, rationalizations, and framing. Can you identify these and other behavioral ethics concepts at work in this case study? Explain and discuss their significance.

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