Dear Friends of TAG:

I’m proud to share with you TAG’s 2005 Annual Report. This was a challenging yet rewarding year of growth for the Treatment Action Group. As you will see, TAG continues to do groundbreaking work as an AIDS research watchdog and as a catalyst for innovative advocacy and research in the United States and around the world.

TAG is broadening the scope of our work with multi-year targeted grants from the Bill & Melinda Gates Foundation (for TB/HIV) and from the Michael Palm Foundation (for basic science, vaccines, and prevention advocacy, beginning in 2006). With some general support from other foundations and corporations, the core of TAG’s funding comes from our committed and dedicated base of individual donors. This supports our vital work in:

- antiretroviral drug development advocacy and oversight;
- hepatitis C virus (HCV) coinfection;
- federal affairs, including AIDS research and treatment funding;
- advocacy to defend and extend AIDS research;
- community education; and
- mobilization of people living with HIV/AIDS in the U.S. and around the world.

I believe our supporters share TAG’s vision for a world in which everyone with HIV receives the treatment and information necessary to live a long and healthy life, and in which, one day, a vaccine for HIV and a cure for AIDS are discovered and made accessible worldwide.

Unfortunately, as you know, that day is still far off. In this long-term struggle, we need your long-term support. Thank you for your dedication and encouragement for TAG’s mission and the work ahead.

Sincerely,
Barbara Hughes
Board President

Treatment Action Group’s 2005 Research in Action Awards Honor State Senator Thomas Duane, AIDS Researcher Dr. Bruce R. Schackman, and Director John Waters

TAG’s 2005 Research in Action Awards (RIAA), held at Artists Space in New York City on December 11, 2005, featured a star-studded cast including comedienne Jackie Hoffman, photographer Richard Renaldi, a STREB dance performance, U.S. Senator Chuck Schumer, New York State Senator Tom Duane, Board President Barbara Hughes, ex-TAG board member and Cornell AIDS researcher Bruce R. Schackman, Ph.D., actress Kathleen Turner, and renowned film director and artist John Waters.
January. Rob Camp, TAG’s Antiretroviral Project Director, meets with Tibotec to propose innovative dual-experimental treatment studies for their new antiretrovirals TMC-114 (darunavir, a protease inhibitor) and TMC-125 (an NNRTI). Mark Harrington, TAG’s Executive Director, gives a plenary on 15 years of activist involvement in clinical trial design at a NIH conference on Moving from Observational Studies to Clinical Trials, and meets with the Office of AIDS Research (OAR) to discuss the upcoming $500 million clinical trials recompetition. TAG provides guidance to the Open Society Institute (OSI) selection of 15 international community groups to receive grants for TB/HIV advocacy.

February. NYC Health Commissioner Tom Frieden causes a worldwide stir with a press conference regarding the alleged New York super-drug resistant HIV case, which upon further examination proves to be overstated. TAG’s Basic Science, Vaccines, and Prevention Project Director, Richard Jefferys, writes a clarifying critique to The Lancet. Tracy Swan, TAG’s HIV/HCV Coinfection Project Director, attends the First European HIV/HCV consensus conference and European Community Advisory Board (ECAB) meeting with Schering-Plough, where she confronts Schering on the need to study new drugs in people with HIV/HCV coinfection.

March. TAG hires Javid Syed, MPH, as its first TB/HIV Project Director. Throughout his career, Javid has linked community organizing, service provision, and research to inform advocacy around health and social justice issues. He quickly takes control of TAG’s project to combat TB/HIV coinfection through a combination of community-based advocacy, education, and mobilization efforts involving AIDS advocates in developed and developing countries.

April. TAG hosts activists from around the country to discuss the new CCR5 inhibitor class of anti-HIV drugs with scientist John Moore and Pfizer’s Howie Mayer. TAG holds meetings on CCR5 inhibitors with the AIDS Treatment Activists Coalition (ATAC) and Schering-Plough. TAG and OSI host a TB/HIV Advisory Committee meeting in London to review TB/HIV advocacy grants and meet with UK policymakers, activists, and researchers.

May. TAG’s Rob Camp testifies at the FDA approval hearing for a new protease inhibitor, tipranavir (Aptivus™ from Boehringer-Ingelheim). On balance, because the drug seems useful for heavily pre-treated individuals, in spite of considerable toxicity, TAG recommends approval, as does the FDA advisory committee. TAG Board member Rich Lynn hosts a reception for TAG donors and community.

June. FDA approves tipranavir, and Boehringer-Ingelheim (BI) prices it at an outrageous $13,410 per year. Activists issue protest but BI disregards them. Javid Syed coordinates the first global community activist nominations to the Stop TB Partnership. Mark Harrington is the community representative to the writing committee revising guidelines for antiretroviral therapy in resource-limited settings for the World Health Organization (WHO). Mark also initiates a far-reaching activist campaign to improve the draft Global Plan to Stop TB 2, incorporating more ambitious targets for TB/HIV control.

July. TAG leads a coalition pressuring Congress to preserve the powers of the NIH Office of AIDS Research (OAR). TAG’s Javid Syed leads activist workshops on TB/HIV at the International Conference on AIDS in Asia and the Pacific (ICAAP) in Kobe, Japan, and at the Pan-African Treatment Access Movement (PATAM) treatment literacy.
workshop in Douala, Cameroon, and is quoted in The New York Times advocating for greater investment in TB research. TAG publishes and distributes over 1,000 copies of What’s in the Pipeline at the International AIDS Society Conference on Pathogenesis & Treatment in Rio de Janeiro, Brazil. The report is well received and staff regularly update their pipelines online over the year.

August. Mark Harrington’s article on “Ten Years of HAART” appears in Houston’s RITA! newsletter (www.centerforaids.org/rita/0805/overview.pdf).

September. Tracy Swan completes a report for the Health Resources & Services Administration (HRSA) to educate AIDS providers about integrating care for hepatitis C virus (HCV) into AIDS care programs. Rob Camp is elected co-chair of the Drug Development Committee (DDC) of the AIDS Treatment Activists Coalition (ATAC), which meets with drug manufacturers to promote faster, more informative research studies, expanded access programs, and full post-marketing studies. Science magazine publishes an article on the Pre-exposure Prophylaxis (PrEP) trials controversy and the way forward, co-authored by Mark Harrington.

October. TAG leads a global coalition of activists who call for “A Revolution in Tuberculosis (TB) Prevention, Care and Treatment” at the 36th World Congress on Lung Health. After global mobilization, activists win a significant victory by successfully demanding that The Global Plan to Stop TB: 2006-2015 include much more rapid scale-up of interventions for TB/HIV. TAG coordinates the 4th International TB/HIV Community Workshop in Paris, attended by 70 activists worldwide. Tracy Swan attends the American Association for the Study of Liver Disease (AASLD) conference in San Francisco where she meets with several companies developing experimental HCV compounds, including Valeant (maker of viramidine, a ribavirin prodrug), Intermune (makers of consensus interferon), and XTL (makers of an HCV monoclonal antibody), with HCV researchers, and with the FDA, to speed up new HCV drug development and to spur new thinking.

November. Rob Camp and Javid Syed attend the North American AIDS Treatment Action Forum in Oaxaca, Mexico, where Javid leads a workshop on TB/HIV coinfection. Mark Harrington travels to TB research sites in South Africa and Zambia on a Gates Foundation site visit as a community observer to the CREATE consortium’s trials to prevent HIV-related TB. Congress passes a disgracefully inadequate 0.5% increase for NIH, but fails to move on NIH reauthorization, thus preserving OAR’s authority for the time being.

December. TAG is awarded a four-year Basic Science, Vaccines, and Prevention Project grant from the Michael Palm Foundation. On December 11th, TAG holds the Research in Action Awards at Artists Space, honoring State Senator Tom Duane, AIDS researcher Dr. Bruce R. Schackman, and director John Waters. Tracy Swan helps to persuade Senator Hillary R. Clinton (D-NY) to cosponsor the Hepatitis C Epidemic Prevention and Control Act. Javid Syed and Mark Harrington attend the Global Alliance for TB Drug Development’s open forum on regulatory issues in TB drug development in Crystal City, Virginia, where Mark gives the keynote address on “Lessons from AIDS Research for TB.” Javid and Mark meet with the Office of the Global AIDS Coordinator to encourage them to strengthen PEPFAR’s TB/HIV work. Richard Jefferys’ “2005 – Basic Science, Vaccines, and Immunology Overview,” is published online at www.aidsinfonyc.org/tag/science/2005YearInReview.html,

2005 at a glance

RESEARCH IN ACTION AWARDS

Left: TAG Board Treasurer Laura Morrison, Executive Director Mark Harrington, Board President Barbara Hughes, and RIAA Recipient State Senator Tom Duane
Center: Jackie Hoffman, Mistress of Ceremonies
Right: Presenter Kathleen Turner and RIAA Recipient John Waters
**TAG PROGRAMS**

**Antiretroviral Project.** TAG closely monitors HIV antiretroviral drugs in all stages of development, including post-marketing. We advocate for the expeditious development, proper clinical research and regulation, ease of access and optimal use of these drugs. We work with other treatment activists and researchers, FDA, NIH, and the pharmaceutical industry to achieve these objectives. TAG also helps educate members of the HIV community about antiretrovirals.

**Michael Palm HIV Basic Science, Vaccines, & Prevention Project.** TAG’s work on basic science advocacy is devoted to speeding the conduct of research on the pathogenesis of HIV infection (how HIV causes disease) and the interactions between the virus and the immune system. We believe that a greater understanding in these areas will pave the way for better treatments for HIV infection and an eventual vaccine to protect against HIV transmission. TAG accomplishes its advocacy work by providing analyses of the scientific and practical impediments that slow the progress of basic research, offering recommendations to expedite progress and pushing for the adoption of these measures. TAG also works to speed our progress towards the development of a vaccine against HIV transmission and immune based therapies for people with HIV. We work with industry and government sponsors of research in this area to push for more and better research, offering recommendations for change based on analyses of ongoing efforts.

**Hepatitis C Virus (HCV) Coinfection Project.** TAG closely monitors new data on the epidemiology and natural history of hepatitis C and HIV/HCV coinfection, as well as the development of new diagnostics, prophylaxis, and treatments for hepatitis C in pre- and post-marketing stages. We advocate for expeditious development, proper clinical research and regulation, and optimal use of these drugs. We oversee HIV drug development, and advocate for research of antiretroviral agents and treatment strategies for people coinfected with viral hepatitis. We develop and promote policies to increase access to hepatitis C care and treatment, especially for high-prevalence populations. We work with the pharmaceutical companies, NIH, FDA, and other government agencies as well as researchers and other treatment activists to achieve these objectives. TAG also educates members of the HIV community about coinfection with hepatitis C.

**TB/HIV Project.** The TB/HIV Project works to combat TB/HIV coinfection through a combination of community-based advocacy, education, and mobilization efforts involving AIDS advocates in developed and developing countries. The TB/HIV Project is currently supported by a two-year grant from the Bill & Melinda Gates Foundation.

**Federal Affairs / NIH Project.** TAG advocates for responsible public policy on AIDS research and treatment with our nation’s leaders, including members of Congress and officials from agencies in the Executive Branch. We push for more funding for AIDS research and sensible legislative initiatives to foster better biomedical research. TAG also advocates for sound regulatory policy in the evaluation of AIDS drugs which balances the need for access to new agents and the need for reliable information about their clinical safety and efficacy.

**Community Education, Mobilization, Publications & Website.** TAG educates communities affected by HIV in the U.S. and globally about the latest developments in research and treatment, and trains and mentors individuals to advocate on their behalf. These activities include playing a leadership role in the North American AIDS Treatment Action Forum (NATAF) and helping to organize trainings for the AIDS Treatment Activists Coalition (ATAC) and its Drug Development Committee (DDC). TAG publishes periodic updates on research, treatment, and policy, including TAGline, TAG Update, and the TAG websites, [www.treatmentactiongroup.org](http://www.treatmentactiongroup.org) and [www.aidsinfonyc.org/tag](http://www.aidsinfonyc.org/tag).
TREATMENT ACTION GROUP, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

Current assets:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$622,109</td>
<td>$403,725</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>70,625</td>
<td>613,429</td>
</tr>
<tr>
<td>Prepaid expenses and other receivables</td>
<td>2,859</td>
<td>1,506</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>695,593</strong></td>
<td><strong>1,018,660</strong></td>
</tr>
</tbody>
</table>

| Property and equipment - net of accumulated depreciation | 8,606 | 12,333 |
| Security deposits | 4,455 | 4,455 |

| **Total assets** | **$708,654** | **$1,035,448** |

LIABILITIES AND NET ASSETS

Current liabilities

| Accounts payable and accrued expenses | $5,352 | $12,664 |

| **Total liabilities** | **5,352** | **12,664** |

Unrestricted

| 272,262 | 250,717 |

Temporarily restricted

| 431,040 | 772,067 |

| **Total net assets** | **703,302** | **1,022,784** |

| **Total liabilities and net assets** | **$708,654** | **$1,035,448** |

[TAG’s 2004 year-end temporarily restricted assets includes the second payment of support from the Bill & Melinda Gates Foundation for the TB/HIV Project. The funding was committed in 2004 but received in 2005.]

STATEMENTS OF CASH FLOWS

Cash flows from operating activities:

| (Decrease) Increase in net assets | $319,482 | $689,563 |

Adjustments to reconcile increase in net assets to net cash provided by operating activities:

| Realized loss on sale of marketable securities | – | 466 |

| Depreciation | 4,867 | 5,939 |

| (Increase) Decrease in current assets: | |

| Due from vendor | – | 3,937 |

| Prepaid expenses and other receivables | (1,353) | (582) |

| Contributions receivable | 542,804 | (566,314) |

| Security deposits | – | 1,699 |

| (Decrease) Increase in current liabilities: | |

| Accounts payable and accrued expenses | (7,312) | 3,974 |

| **Net cash provided by operating activities** | **$219,524** | **$135,284** |

Cash flows from investing activities:

| Proceeds from sale of marketable securities | – | 7,366 |

| Purchases of property and equipment | (1,140) | – |

| **Net cash (used in) provided by investing activities** | **(1,140)** | **7,366** |

Net increase in cash balance

| 218,384 | 142,650 |

Cash, beginning of year

| 403,725 | 261,075 |

Cash, end of year

| $622,109 | $403,725 |
## Treatment Action Group, Inc.

### Statements of Activities

Years ended December 31

<table>
<thead>
<tr>
<th>Revenue and support:</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Years ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct mail</td>
<td>$ 48,697</td>
<td>$ –</td>
<td>$ 48,697</td>
</tr>
<tr>
<td>Donations</td>
<td>26,626</td>
<td>–</td>
<td>26,626</td>
</tr>
<tr>
<td>Grants</td>
<td>291,950</td>
<td>15,000</td>
<td>306,950</td>
</tr>
<tr>
<td>Special event income</td>
<td>110,552</td>
<td>–</td>
<td>110,552</td>
</tr>
<tr>
<td>Travel and other reimbursement</td>
<td>16,826</td>
<td>–</td>
<td>16,826</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>2,069</td>
<td>4,947</td>
<td>7,016</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>496,720</td>
<td>19,947</td>
<td>516,667</td>
</tr>
</tbody>
</table>

| Net assets released from restrictions       |              |                       |                         |
| **Total revenue and support**               | 360,974      | (360,974)              | –                       |

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antiretroviral project</td>
<td>101,380</td>
<td>–</td>
<td>101,380</td>
</tr>
<tr>
<td>Federal Affairs/NIH project</td>
<td>6,388</td>
<td>–</td>
<td>6,388</td>
</tr>
<tr>
<td>Basic Science and Vaccines project</td>
<td>101,451</td>
<td>–</td>
<td>101,451</td>
</tr>
<tr>
<td>HCV Coinfection project</td>
<td>93,719</td>
<td>–</td>
<td>93,719</td>
</tr>
<tr>
<td>TB/HIV Project</td>
<td>360,974</td>
<td>–</td>
<td>246,841</td>
</tr>
<tr>
<td>Community outreach program</td>
<td>6,044</td>
<td>–</td>
<td>6,044</td>
</tr>
<tr>
<td>TAGline/Website</td>
<td>32,904</td>
<td>–</td>
<td>32,904</td>
</tr>
<tr>
<td>International program</td>
<td>10,296</td>
<td>–</td>
<td>10,296</td>
</tr>
<tr>
<td><strong>Total Program expenses</strong></td>
<td>713,156</td>
<td>–</td>
<td>648,573</td>
</tr>
</tbody>
</table>

| **Supporting services expenses**            |              |                       |                         |
| Management and general                      | 68,652       | –                      | 68,652                  |
| Fundraising                                 | 54,341       | –                      | 54,341                  |
| **Total services expenses**                 | 836,149      | –                      | 803,500                 |

| Increase (Decrease) in net assets           | 21,545       | (319,482)              | 689,563                 |

| Net assets, beginning of year               | 250,717      | 772,067                | 1,022,784               |

| Net assets, end of year                     | $ 272,262    | $ 431,040              | $ 703,302               |

[www.treatmentactiongroup.org](http://www.treatmentactiongroup.org)
$ 100,000 or more
The Bill & Melinda Gates Foundation

$ 50,000 - $ 99,000
Paul L. Newman

$ 25,000 - $ 49,999
Boehringer Ingelheim Pharmaceuticals Inc.
Broadway Cares / Equity Fights AIDS
Gesso Foundation
Gilead Sciences
Hoffmann-LaRoche, Inc.

$ 10,000 - $ 24,999
Boehringer Ingelheim Pharmaceuticals Inc.
Broadway Cares / Equity Fights AIDS
Gesso Foundation
Gilead Sciences
Hoffmann-LaRoche, Inc.

$ 5,000 - $ 9,999
David Corkery
Marcus Edward
Richard M. Lynn & Joseph Evall
Robert J. McLain
Mark O'Donnell

$ 2,500 - $ 4,999
Tim Casey & Mary C. Rieth Casey
Nicholas A.R. Debs
Richard A. & Barbara Knowles Debs
M. Lee Garrison
Karl J. Jepsen & James M. Goldrick
Alby P. Maccarone, Jr.
Stephen Mack & Robert E. Monteleone
J. Michael McCune, MD, &
Karen Kaye Smith-McCune

$ 1,000 - $ 2,499
Katherine C. & Thomas M. Ash
Michael A. Becker & Tee Scatuorchio
Concerned Parents for AIDS Research
Courtroom Television Networks
Constance Darrius
Edward J. Davis & Thomas D. Phillips
Paul A. Dierkes
Paul L. Dietz
Randall G. Drain
William French & Gayle Funk French, In memory of Jay Kevin Funk
Guido Goldman
Richard & Judith Harrington
David Hollander & Robert Shaw
Lawrence H. Hoskins
Mathilde Krim, PhD
Carey C. Maloney & Hermes Mallea
Mobley & Company,
The Family of Lawrence H. Cave III, PhD
Jason I. Osher & Richard R. Schubel
Mario Rorselli
Bruce R. Schackman, PhD, &
Edward K. Sikov
Nina Schwalbe Fund of Tides Foundation
Evan Schwartz & Robert Fitterman
Monte Steinman
W. Kirk Wallace & Mark M. Sexton,
Wallace-Sexton Fund of Stonewall
Community Foundation
The Zacks Family Foundation

$ 500 - $ 999
The AIDS Institute
Christine, Benjamin & Darius Anagnos
Jeffrey Arnstein & Michael Field
Leonard S. Barton
Cary Brown & S. Chris Shirley
Drs. Mark A. & Lisa Rowland Callahan
Eli Camhi
Paula Chalfin
Gene Copello, PhD
Michael Cowing
Stephanie Cowles
Alice Crary & Nathaniel Hupter
Lynda M. Dee, Esq.
Peter F. Diffly
Pierre G. Durand
Joy Episalla & Carrie Yamaoka
Steven M. Frank & Elizabeth Powell, MD
Perry N. Halkitis, PhD, & Leslie L. Smith
Bryan A. Hilbert
James C. Hornel
Donald Johannessen, MD
Lee R. Jones
Paul E. Kennedy
Noel E.D. Kirnon & Michael D. Paley
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Jeanne L. Bergman, PhD
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Laura A. Morrison
Walter M. & Dulcie Schackman
Marvin Shulman
John A. Silverman & Elliot Carlen
Jane Silver
Mort & Margaret Steinberg
Jan A. Wysocki
William J. Zwart & David W. Berchenbriter

Thank You!
Michael Palm Foundation Awards TAG $1 Million to Expand HIV Pathogenesis & Prevention Research Project to Strengthen HIV Immunology, Vaccine, and Prevention Research Advocacy

On December 1, 2005 – World AIDS Day – TAG announced the establishment of the Michael Palm HIV Pathogenesis and Prevention Research Project. The Project will work to strengthen basic science, immunology, and biomedical HIV prevention research efforts directed at clarifying understanding of how HIV destroys the immune system, how to develop effective immune-based therapy strategies, and how to develop biomedical preventive approaches such as vaccines, microbicides, and treatments to prevent HIV infection pre- and post-exposure. The Michael Palm HIV Pathogenesis and Prevention Research Project is supported by a four-year, $1 million grant from the Michael Palm Foundation. TAG will use this grant to intensify its advocacy efforts on improving HIV pathogenesis and immunology research, and to accelerate the development of safe and effective immune-based therapies, vaccines, microbicides, and other tools to treat, prevent, and cure HIV infection. TAG named the Project to honor Michael Palm’s legacy of generous support for TAG’s cutting-edge work.

TAG MISSION STATEMENT

The Treatment Action Group (TAG) fights to find a cure for AIDS and to ensure that all people living with HIV receive the necessary treatment, care, and information they need to save their lives. TAG focuses on the AIDS research effort, both public and private, the drug development process, and health care delivery systems. We meet with researchers, pharmaceutical companies, and government officials to encourage exploration of understudied areas in AIDS research and speed up drug development, approval, and access. We work with the World Health Organization and community organizations globally, and strive to develop the scientific and political expertise needed to transform policy. TAG is committed to working for and with all communities affected by HIV.

TAG is a non-profit corporation with 501c (3) status. Contributions are tax deductible to the extent allowed by law.

BOARD OF DIRECTORS
Barbara Hughes President
Laura Morrison Secretary / Treasurer
M. Shane Dawson, M.D.
Lynda Dee, Esq.
Joy Episalla
Richard Lynn, Ph.D.
Alby P. Maccarone, Jr.
Mark O’Donnell
Jason Osher
Monte Steinman

STAFF
Mark Harrington Executive Director
Rob Camp Antiretroviral Project Director
Richard Jefferys Michael Palm Basic Science, Vaccines & Prevention Project Director
Tracy Swan Hepatitis C Coinfection Project Director
Javid Syed TB/HIV Project Director
Joseph McConnell Administrator

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