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United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

February 26, 2025

VIA ELECTRONIC TRANSMISSION

The Honorable Matthew Memoli
 Acting Director
 National Institutes of Health

Dear Dr. Memoli:

I am writing to obtain information regarding the National Cancer Institute's (NCI) twenty-five year, \$89 billion contract award to the Alliance for Advancing Biomedical Research to manage and operate its federally-funded research and development center (FFRDC), the Frederick National Laboratory for Cancer Research.¹ While I support full and open competition in the federal contracting process, the decision to award the contract to the Alliance for Advancing Biomedical Research in the final days of the Biden administration raises some concerns.² With over 600,000 deaths in the U.S. to cancer each year, cancer research is of critical national importance and an issue that I have long championed.³ Additionally, it is critical to ensure taxpayer-funded research dollars are actually spent on research, not university administrative expenses, and are going to institutions that are able to successfully protect themselves from threats from adversarial foreign governments, notably China.⁴

The Alliance for Advancing Biomedical Research appears to be closely connected to the University of California's National Laboratories.⁵ The University of California has long-standing experience operating FFRDC's for the Department of Energy (DOE), but the Frederick National Laboratory for Cancer Research will be its first experience in operating an FFRDC focused on biomedical research.⁶ The University currently holds the FFRDC contract for the

¹ SAM.GOV entry for January 17, 2025 contract award to Alliance for Advancing Biomedical Research, SAM.GOV (accessed Jan. 30, 2025), <https://sam.gov/opp/419b87b74bb5449ba08851f8abb4545f/view>.

² Press release, *Grassley, Wyden and Bipartisan Colleagues Introduce Bill to Enhance Competition in Organ Donation Network*, Off. of Senator Charles E. Grassley (May 18, 2023), <https://www.grassley.senate.gov/news/news-releases/grassley-wyden-and-bipartisan-colleagues-introduce-bill-to-enhance-competition-in-organ-donation-network>; Press release, *Grassley Warns Against Attempts to Subvert Congressional Intent, Stifle Competition in Organ Donation System*, Off. of Senator Charles E. Grassley (Dec. 13, 2023), <https://www.grassley.senate.gov/news/news-releases/grassley-warns-against-attempts-to-subvert-congressional-intent-stifle-competition-in-organ-donation-system>; Press release, *Grassley Seeks Details of Bank's Exclusive Agreement With Federal Bureau of Prisons*, Off. of Senator Charles E. Grassley (Oct. 6, 2014), <https://www.grassley.senate.gov/news/news-releases/grassley-seeks-details-banks-exclusive-agreement-federal-bureau-prisons>.

³ Cancer data and statistics webpage, Centers for Disease Control and Prevention (accessed Jan. 30, 2025), <https://www.cdc.gov/cancer/data/index.html>; Press release, *Q&A: Cancer Research Saves Lives*, Off. of Senator Charles E. Grassley (Apr. 27, 2018), <https://www.grassley.senate.gov/news/commentary/qa-cancer-research-saves-lives>.

⁴ Senator Charles E. Grassley, *Iowa not immune to foreign threats to taxpayer-funded research*, Iowa City Press-Citizen (May 31, 2019), <https://www.press-citizen.com/story/opinion/2019/05/31/grassley-concerned-chinese-threats-1300530001/>.

⁵ Keyword search for "Alliance for Advancing Biomedical Research" in the Fed. Procurement Data System (accessed Jan. 30, 2025), <https://www.fpds.gov/ezsearch/fpdsportal?indexName=awardfull&templateName=1.5.3&s=FPDS.GOV&q=Alliance+for+Advancing+Biomedical+Research+&x=0&y=0>; Report of the Off. of the Sec'y and Chief of Staff to the Regents of the Univ. of California (Jan. 2025), <https://regents.universityofcalifornia.edu/regmeet/jan25/interim.pdf>.

⁶ UC National Laboratories webpage, Univ. of California Off. of the President (accessed Jan. 30, 2025), <https://www.ucop.edu/laboratory-management/index.html>.

Lawrence Berkley National Laboratory and is a member of the limited liability companies that hold the FFRDC contracts for Los Alamos National Laboratory and Lawrence Livermore National Laboratory.⁷ Further, the University of California is the nation's top higher education recipient of federal research funding.⁸ To whom much is given, much is expected.

Recently, on January 31, 2025, *The Wall Street Journal* published an article stating that, "the University of California, San Francisco, received about \$815 million in research funding from the National Institutes of Health for fiscal year 2024, making it one of the largest recipients in the country. The school keeps about 40% of that for administrative costs."⁹ It is outrageous that only 60 percent of the taxpayer dollars provided to the University of California from the National Institutes of Health (NIH) was actually used on research.¹⁰ I am glad the Trump administration lowered the cap on indirect costs to 15 percent, which will bring much needed fiscal sanity to the NIH and its contractors and grantees.¹¹

Furthermore, since 2018, I've written to the NIH with concerns about foreign threats to taxpayer-funded research and also held a full committee hearing in a classified and unclassified setting on the subject matter.¹² Shortly after that, the Department of Health and Human Services Office of Inspector General (HHS OIG) released a report finding that NIH failed to consider the risks posed by providing foreign individuals access to sensitive information.¹³ It is now well-established that our university systems are soft targets in China's strategy to acquire U.S.

⁷ *Id.*

⁸ Teresa Watanabe et al., *UC, a top recipient of federal research funding, is concerned about Trump pause on grant reviews*, Los Angeles Times (Jan. 25, 2025), <https://www.latimes.com/california/story/2025-01-25/uc-nations-top-federal-research-grant-recipient-questions-trump-pause-on-grant-reviews>.

⁹ Nidhi Subbaraman and Douglas Belkin, *Universities Close Offices, Halt Research in Response to Trump's Ban on DEI*, The Wall Street Journal (Jan. 31, 2025), <https://www.wsj.com/us-news/education/trump-dei-ban-federal-funding-higher-education-8ae81c40>.

¹⁰ Federally-negotiated rates webpage, University of California San Francisco (accessed February 27, 2025), <https://osr.ucsf.edu/federally-negotiated-rates>, (According to the UCSF website, the university's on-campus facilities and administrative cost rate for federally sponsored research has been 64 percent since July 1, 2024.)

¹¹ Off. of The Dir., Nat'l Insts. of Health, *Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates*, Nat'l Insts. of Health (Feb. 7, 2025), NOT-OD-25-068, <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html>; Nyah Phengsitthy, *NIH, States Battle Over Pause on Trump's Cuts to Research Funding*, Bloomberg Government (Feb. 21, 2025), <https://news.bloomberglaw.com/health-law-and-business/nih-states-battle-over-pause-on-trumps-cuts-to-research-funds>; Genevieve Knezo, *Indirect Costs for R&D At Higher Education Institutions: Annotated Chronology Of Major Federal Policies*, Cong. Rsch. Serv. (Aug. 2, 1994), on file with Comm. (In the past, Congress and Presidents of both parties have attempted to provide more transparency and accountability to NIH indirect grant costs.).

¹² Press release, *Grassley Statement on Harvard Chemist Accused of Concealing Chinese Government Ties*, U.S. Senate Comm. on Fin. (Jan. 28, 2020), <https://www.finance.senate.gov/chairmans-news/grassley-statement-on-harvard-chemist-accused-of-concealing-chinese-government-ties>; Hearing, *Foreign Threats to Taxpayer-Funded Research: Oversight Opportunities and Policy Solutions*, U.S. Senate Comm. on Fin. (June 5, 2019), <https://www.finance.senate.gov/hearings/foreign-threats-to-taxpayer-funded-research-oversight-opportunities-and-policy-solutions>; Press release, *Grassley Probes Foreign Threats to Taxpayer-Funded Research at Defense Department*, U.S. Senate Comm. on Fin. (Apr. 2, 2019), <https://www.finance.senate.gov/chairmans-news/grassley-probes-foreign-threats-to-taxpayer-funded-research-at-defense-department>.

¹³ Report, *Opportunities Exist for the National Institutes of Health To Strengthen Controls in Place to Permit and Monitor Access to Its Sensitive Data*, Dept. of Health and Human Services Off. of Inspector General, A-18-18-09350 (Feb. 5, 2019), <https://oig.hhs.gov/reports/all/2019/opportunities-exist-for-the-national-institutes-of-health-to-strengthen-controls-in-place-to-permit-and-monitor-access-to-its-sensitive-data/>.

knowledge and research on the backs of the taxpayer.¹⁴ For example, China targeted our COVID-19 research during the pandemic and is particularly interested in our cancer research.¹⁵

Additionally, I am concerned about the numerous, well-documented failures of the University of California to manage its labs, which has led to serious national security breaches by China's government.¹⁶ For instance, the University of California has been involved in the management and operations of Los Alamos National Laboratory since the lab's establishment in 1943.¹⁷ It has been reported that between 1987 and 2021, at least 162 scientists who had worked at Los Alamos returned to China to support a variety of domestic research and development (R&D) programs, including at least 59 who were involved with China's talent programs.¹⁸ In another example, in 2020, a researcher at an NIH-funded lab at the University of California, San Francisco (UCSF), told authorities that he was still employed by the People's Liberation Army while studying in the U.S.; made false statements about his military service in his visa application; had been instructed by his supervisor, the director of his military university lab in China, to observe the layout of the UCSF lab and bring back information on how to replicate it; and duplicated some of the work of his supervising UCSF professor in China.¹⁹ It appears that

¹⁴ Primer, *China: The Risk to Academia*, Fed. Bureau of Investigation (2019), <https://www.fbi.gov/file-repository/china-risk-to-academia-2019.pdf/view>; Remarks of Christopher Wray on "The Threat Posed by the Chinese Government and the Chinese Communist Party to the Economic and National Security of the United States," Fed. Bureau of Investigation (July 7, 2020), <https://www.fbi.gov/news/speeches/the-threat-posed-by-the-chinese-government-and-the-chinese-communist-party-to-the-economic-and-national-security-of-the-united-states>.

¹⁵ Press Release, *FBI and CISA Warn Against Chinese Targeting of COVID-19 Research Organizations*, Fed. Bureau of Investigations (May 13, 2020), <https://www.fbi.gov/news/press-releases/fbi-and-cisa-warn-against-chinese-targeting-of-covid-19-research-organizations>; Matt Burgess, *China's hackers are ransacking databases for your health data*, WIRED (Aug. 21, 2019), <https://www.wired.com/story/china-hackers-medical-data-cancer/>.

¹⁶ Report, *Federally Funded Research and Development Centers (FFRDCs): Background and Issues for Congress*, Cong. Rsch. Serv., R44629 (Aug. 27, 2021), at 12, <https://crsreports.congress.gov/product/pdf/R/R44629>. (In 2004, the mishandling of classified data and the partial blinding of a student from a laser accident closed Los Alamos National Laboratory for seven months, costing \$370 million.); Press Release, *Former Los Alamos National Laboratory Contractor Pleads Guilty to Removing Classified Information*, Dep't of Justice (May 15, 2007), https://www.justice.gov/archive/opa/pr/2007/May/07_crm_362.html (In 2006, a former Los Alamos contractor was found to have physical and electronic copies of classified documents at her home.); Press Release, *Former Los Alamos Lab Workers Sentenced: Nuclear Scientist and Wife Passed Classified Documents*, Fed. Bureau of Investigation (Feb. 15, 2015), <https://www.fbi.gov/news/stories/former-los-alamos-lab-workers-sentenced> (In 2015, a former Los Alamos scientist, with the assistance of his wife who was a current Los Alamos employee, passed documents he had written using classified and restricted data to an FBI agent he believed to be a Venezuelan government official.); Press Release, *Former scientist from Los Alamos National Laboratory pleads guilty in federal court to making false statements about involvement with Chinese government technology program*, Dep't of Justice (January 24, 2020), <https://www.justice.gov/usao-nm/pr/former-scientist-los-alamos-national-laboratory-pleads-guilty-federal-court-making-false>. (In 2020, a former scientist at Los Alamos National Laboratory plead guilty to a "charge of making a false statement to a government investigator about his involvement in the Thousand Talents Program, an initiative by the Chinese government to recruit people with access to and knowledge of foreign technology and intellectual property."); Colleen Shalby, *UCLA Professor faces 219 years in prison for conspiring to send U.S. missile chips to China*, Los Angeles Times (July 11, 2019), <https://www.latimes.com/local/lanow/la-me-ucla-professor-military-china-20190711-story.html>; Press Release, *Engineer Sentenced to Over 5 Years in Prison for Conspiring to Illegally Export to China Semiconductor Chips with Military Uses*, Dep't of Justice (July 22, 2021), <https://www.justice.gov/usao-cdca/pr/engineer-sentenced-over-5-years-prison-conspiring-illegally-export-china-semiconductor>. (In 2019, a former adjunct professor at the University of California Los Angeles was found to have engaged in a scheme to export semiconductor chips with military applications to China.).

¹⁷ Report, *Los Alamos National Laboratory: Contractor Improving Safety and Other Areas but Still Faces Challenges*, Gov't Accountability Off., GAO-22-105412 (June 2022), at 4, <https://www.gao.gov/assets/gao-22-105412.pdf>.

¹⁸ Report, *The Los Alamos Club*, Strider Technologies, Inc. (2022), at 4, <https://content.striderintel.com/wp-content/uploads/2022/09/Strider-Los-Alamos-Report.pdf>.

¹⁹ Press Release, *Researchers Charged with Visa Fraud After Lying About Their Work for China's People's Liberation Army*, Dep't of Justice (July 23, 2020), <https://www.justice.gov/opa/pr/researchers-charged-visa-fraud-after-lying-about-their-work-china-s-people-s-liberation-army>; Ellen Nakashima and David Nakamura, *U.S. drops cases against five researchers accused of*

the University of California's inability to keep China out of U.S. R&D is an issue that spans nearly four decades.

The timing of the award also raises concerns. The contract award was published on Friday, January 17, 2025, at 3:37PM EST.²⁰ The solicitation for the contract was published on June 23, 2022.²¹ After waiting two and a half years, the haste in awarding the contract on the eve of an administration change raises questions, especially in the context of President Trump's interest in holding universities and research institutions accountable.²²

In accordance with my long-standing advocacy regarding proper and responsible government spending and protecting taxpayer-funded research from foreign threats, I am requesting answers to the following questions by no later than March 12, 2025:

1. Describe the factors that contributed to NCI's decision to award the contract to operate and manage Frederick National Laboratory for Cancer Research to the Alliance for Advancing Biomedical Research. Explain in detail why the contract was awarded in January 2025. Provide all records.²³
2. Provide the full contract award file for Alliance for Advancing Biomedical Research, including details with respect to what taxpayer money would be spent on. Provide all records.
3. Explain how the indirect cost rate used in the award to the Alliance for Advancing Biomedical Research was determined and provide any policies, tools, and documents used to make this determination. Provide all records.
4. Describe NCI's process for evaluating the Frederick National Laboratory for Cancer Research contract applicants' safeguards against foreign threats and provide all documentation that supports this process, including policies and tools used to assess the applicants. Provide all records.

hiding ties to Chinese military: Justice Department determines that there is no need to prolong the visa-fraud cases, The Washington Post (July 24, 2021), https://www.washingtonpost.com/national-security/us-drops-cases-against-five-researchers-accused-of-hiding-ties-to-chinese-military/2021/07/23/54a8b268-ec04-11eb-8950-d73b3e93ff7f_story.html. (The Department of Justice dropped the prosecution of the aforementioned scientist, but according to *The Washington Post*, "senior department officials insist[ed] that dropping the cases [was] not a reflection of a lack of evidence.").

²⁰ SAM.GOV, *supra* note 1.

²¹ SAM.GOV entry for 2022 solicitation for NCI's Federally Funded Rsch. and Development Ctr. (FFRDC)/Frederick Nat'l Laboratory for Cancer Rsch. (FNLCR), SAM.GOV (accessed Jan. 30, 2025), <https://sam.gov/opp/4d803899758a49cf86ef8f5e50d872dd/view>.

²² Jocelyn Kaiser, *Trump wants 2018 NIH cut to come from overhead payments*, Science (Mar. 29, 2017), <https://www.science.org/content/article/trump-wants-2018-nih-cut-come-overhead-payments>; Meghana Keshavan, *Should taxpayers cover the light bills at university labs? Trump kicks off a tense debate*, PBS (Apr. 1, 2017), <https://www.pbs.org/newshour/science/university-funding-trump-debate>; Phillip Levine, *What Is at Stake for Higher Education Under a Second Trump Administration?*, Econofact (Jan. 13, 2025), <https://econofact.org/what-is-at-stake-for-higher-education-under-a-second-trump-administration>.

²³ Records" include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (e-mails, email attachments, and any other electronically-created or stored information), calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether or not they resulted in final documents).

5. Provide a complete list of grants, contracts, and cooperative agreements awarded by the NIH for fiscal year 2024, including the name of the awardee, the length of the award, the amount of the award, and each institution's negotiated indirect cost rate. Provide all records.
6. Provide a complete list of grants, contracts, and cooperative agreements awarded by the NIH between October 1, 2024 and January 20, 2025, including the name of the awardee, the length of the award, the amount of the award, and each institution's negotiated indirect cost rate. Provide all records.
7. Provide a list of all current and former employees that worked on the contract awarded to Alliance for Advancing Biomedical Research.
8. Will NIH impose the 15 percent cap on indirect costs on the contract awarded to Alliance for Advancing Biomedical Research? If not, why not?

Thank you for your prompt review and response. If you have any questions, please contact Tucker Akin with my Committee staff at (202) 224-5225.

Sincerely,



Charles E. Grassley
Chairman
Committee on the Judiciary

cc: Mr. Elon Musk
Department of Government Efficiency