

# Committee Correspondence

The Committee on Energy and Commerce  
W.J. "Billy" Tauzin, Chairman

---

## *Tauzin, Greenwood Initiate Examination Of NIH Management and Oversight of Research*

---

March 13, 2003

Dr. Elias Zerhouni  
Director  
National Institutes of Health  
9000 Rockville Pike  
Bethesda, MD 20892

Dear Dr. Zerhouni:

Over the past five years, Congress has increased its appropriations to the National Institutes of Health (NIH), enabling NIH to expand its pursuit of advances in biomedical research. Between 1998 and 2002, Congress increased NIH's appropriations from \$13.6 billion to \$23.1 billion, an increase of \$9.5 billion. During that same period of time, NIH has increased the amount of grant awards it has given out from \$9.5 billion to \$16.6 billion, an increase of \$7 billion. According to an article in the October 23, 2002 Washington Post, your message as the leader of the nation's largest funder of biomedical research has been one of building public and congressional confidence in the NIH- an institution poised to enjoy its fifth consecutive year of major budget increases and whose portfolio has recently expanded to include bioterrorism and homeland defense. The same article also notes that you are documenting how the NIH intends to make the most of Congress' recent budget increases.

Given these significant budget increases over the last five years, the NIH-admitted need for confidence building, and the public interest in wise management of government resources, the Committee is conducting an examination of NIH management and oversight of its federally funded research.

Accordingly, we request, pursuant to Rules X and XI of the U.S. House of Representatives, that NIH provide the following by March 26, 2003:

1. A detailed description of how NIH oversees grantees' financial management of grant funds, including training required of those who review this information, steps taken in the review, and the number of full time equivalents involved. If this description varies by institute, please identify the differences and the rationale for those differences.
2. A list of all grantees receiving grants from NIH over the last two years, including the total amount of funds provided to each grantee over the two-year period.
3. A summary of allegations for all 54 active grant reviews that the Office of Management Assessment (OMA) is currently conducting. Include any notifications NIH has received from federal or state agencies of violations of statutes or regulations by these grantee institutions.
4. Summaries of OMA reports of fraud, waste, abuse, or mismanagement relating to grants or individual cases of non-compliance with grant funding requirements.
5. Federal guidelines on how grant funds may be spent with respect to administrative expenses. Include an explanation of what due diligence NIH performs in overseeing use of grant funds for administrative expenses. Has NIH identified any specific grantees who have exceeded limits on administrative costs during the past five years (since January 1, 1998), and if so, list the grantees, the amount of excess cost, and the year the excess cost was incurred. Are there limits on what portion of a grant may be used for other expenses, such as travel or construction costs, and if so, what are they? Do individual NIH institutes have different guidelines on administrative expenses? If so, explain the rationale for the different guidelines.
6. Provide a list of the administrative costs incurred by each institute or center each year over the last five years (since January 1, 1998), including a categorical breakdown of how these administrative costs

were spent.

7. During one of the Committee's investigations last year, the Committee became aware that NIH was providing grants to the Coulston Foundation (TCF), a registered animal research facility in Alamogordo, New Mexico that has recently declared bankruptcy. In addition to TCF's poor financial health, the Food and Drug Administration and United States Department of Agriculture had cited TCF for violations of various regulations. Please provide a copy of all files relating to TCF maintained by the grants management and program officers who have overseen NIH grants to TCF. Include documentation of all notifications NIH received about TCF's violations of regulations or statutes by federal or state agencies.

If you have any questions regarding this matter, please contact Casey Hemard or Ann Washington of the Committee staff at (202) 226-2424. Thank you for your attention to this matter.

Sincerely,

W.J. "Billy" Tauzin  
Chairman

James C. Greenwood, Chairman  
Subcommittee on Oversight & Investigations

cc: The Honorable John D. Dingell, Ranking Member  
The Honorable Peter Deutsch, Ranking Member, Subcommittee on Oversight and Investigations

---

#### Related Documents

[Oversight and Investigation](#)

---

[The Committee on Energy and Commerce](#)  
2125 Rayburn House Office Building  
Washington, DC 20515  
(202) 225-2927  
[Feedback](#)