

**BOB DOLE**  
ST DISTRICT, KANSAS  
  
NON HOUSE OFFICE BUILDING  
AREA CODE 202  
225-2715  
  
COMMITTEES:  
AGRICULTURE  
VERNMENT OPERATIONS  
  
DISTRICT OFFICE:  
101 FEDERAL BUILDING  
EAT BEND, KANSAS 67530  
AREA CODE 316  
SW 3-5423

**Congress of the United States**  
**House of Representatives**  
**Washington, D.C. 20515**

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WASHINGTON, D. C.

FOR RELEASE WEDNESDAY, OCTOBER 25, 1967

**DOLE ANNOUNCES COMMITTEE FINDINGS**

Congressman Bob Dole (R-Kansas) on October 22 joined with other members of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations in announcing findings of waste, inefficiency, and ineptitude throughout research activities of the Public Health Service.

"Our committee, created by Congress and charged with the responsibility of overseeing the efficiency of the executive branch of the federal government, has seen some blatant examples of incompetence," Dole stated, "but recent studies of research activities of the Public Health Service, and its principal research arm, the National Institutes of Health, rival the worst discovered in recent years."

A few examples are:

(1) The National Institutes of Health and other Public Health Service bureaus were found to have made excessive indirect cost payments to grantees. Excessive payments resulted from their practice of paying the maximum indirect cost rate permitted by law, contrary to the intent of Congress that only a grantee's actual indirect costs should be allowed if less than the statutory maximum.

(2) In the case of one research organization, the National Institutes of Health's overpayments for indirect costs were found to total almost a half million dollars for grants awarded through the 1963 fiscal year. Moreover, in this and other cases, the National Institutes of Health continued to make overpayments to these same grantees for almost 2 years after the Surgeon General had initiated action in 1963, at the urging of the Intergovernmental Relations Subcommittee, to recover the excessive payments previously made.

(3) The National Institutes of Health entered into an unusual cost-sharing agreement with a large research institute to underwrite approximately one-half the latter's total operating expenses.

(4) Large amounts of General Research Support funds were paid to one private research organization by including State appropriations for two research divisions of a State health department in the grant computation.

-2-

(5) Public Health Service research grants continue to be highly concentrated in a relatively small number of institutions. Moreover, the gap between the "rich" and the "poor" schools appears to have widened in recent years in the biomedical sciences.

"Health research, today a very big business, accounted for nearly a billion dollars in National Institutes of Health spending in 1966. This figure represents an immense escalation from the \$14 million allotted for research to the same agency in 1950," Dole continued.

#### Inadequate Performance

Committee members, in their Report to the Speaker of the House, announced that weak central management is characteristic of the Public Health Service. Research projects supported by grants from the National Institutes of Health and other units have, by the agency's own admission, declined in quality in recent years.

"I am disappointed the Administration has continued to urge greater and greater appropriations for this agency," Dole said, "when obviously what is needed is greater emphasis on efficient expenditure of money already available."

The Health Sciences Advancement Award program, a new National Institutes of Health venture, was severely criticized by the Congressional investigators. The program, while designed to strengthen certain types of educational institutions, was found to be "irresponsible, unscientific, and contrary to the best interests of the academic community and the Government."

#### Much Good Can Result From Health Research

"Certainly much good results from health research conducted in this nation," Dole stated, "but that research can be even more effective if the administrative agency in charge is efficiently and professionally managed. This year, as we face a potential \$29 billion deficit in the federal budget, and a possible tax increase, the kind of waste our committee found in the National Institutes of Health cannot be tolerated."