

Cancer Agency Faces Questions on Waste and Abuses

By ROBERT REINHOLD

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Senator Orrin G. Hatch of Utah

WASHINGTON, June 1 — Ten years after the Government began to pour billions of dollars into the National Cancer Institute to make "war on cancer," a committee of Congress is beginning to raise questions about what the money has bought and whether it has been properly spent.

Tomorrow, the Senate Labor and Human Resources Committee will hold a hearing to air the results of a three-month staff investigation of the cancer institute. The panel's new Republican chairman, Senator Orrin G. Hatch of Utah, is expected to raise charges that the agency has failed to manage its contracts well, permitted waste and abuse, been lax in punishing scientists who falsified data and been unaggressive in rooting out conflicts of interest among its employees.

The New York Times was given access to documents growing out of the committee's investigation, with the stipulation that the information could not be revealed before the day the hearing opens.

For the most part, Senator Hatch's complaints are elaborations of charges

that have previously been raised either in the press or by Government investigators and do not seem to involve more than technical violations of the law. But if the charges are pursued with vigor, it might indicate that members of Congress are approaching a turning point in their traditional trusting relationship with the cancer institute and its parent, the National Institutes of Health.

This trust, Senator Hatch says, has allowed the cancer institute to develop a "cozy" relationship with its contractors and grant recipients and to react sluggishly to instances of mismanagement and abuse.

"I have no desire to find fault with anybody. I have no desire to cut back their money," Mr. Hatch said in an interview. "But we have found serious problems. All we do is create new legislation, throw the ball to them, and let them do what they want. And then we find it is not what Congress intended."

Through a spokesman, Dr. Vincent T. DeVita Jr., director of the cancer agency, declined comment until the hearing. In a written statement prepared for the hearing, he admits "deficiencies" in the past, but argues that the management changes he initiated since taking over 16 months ago have gone a long way toward solving the problems. In particular, he cites the creation last February of a new Division of Extramural Activities to provide independent review of contracts.

Mr. Hatch says he is dubious because

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The Supreme Court ruled today that communities that permit commercial activity may not use zoning to exclude live entertainment. Page B9.

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Herb Brooks, who coached the United States hockey team to victory in the 1980 Olympics, agreed to terms with the New York Rangers. Page C11.

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of the cancer agency's past actions. "After each new disclosure by the investigators and auditors, N.C.I.'s response was strikingly similar," he says in an opening statement prepared for tomorrow. "Rather than firing the perpetrators, the agency simply fell back on the familiar Washington ploy of reorganizing its contracting procedures."

A Government official closely familiar with the N.C.I.'s operations, who asked not to be named, said the institute appears to be making a "genuine effort" to improve its procedures but that it has been reluctant to crack the whip on researchers who do not perform properly unless forced to.

Meanwhile, the progress of the cancer institute — which now spends about \$1 billion a year — toward scientific goals of curing and preventing the disease is coming under scrutiny by the Senate panel's subcommittee on Investigations and General Oversight, headed by Senator Paula Hawkins, Republican of Florida. She held the first of several hearings last week.

According to the documents, the committee is considering raising the charge that the N.C.I. awarded a \$310,000 research grant to a scientist after he was forced to resign from Boston University amid charges that he had falsified data and injected patients with unproven toxic drugs without proper consent under another cancer agency program. The N.C.I. did not begin its own investigation of the alleged misconduct of the scientist, Dr. Marc J. Strauss, until after the Boston Globe exposed the affair last June, two years after Dr. Strauss's resignation, and Dr. DeVita withheld information about allegations from the peer review committee of scientists who approved the new grant in January of 1980 and from the National Cancer Advisory Board, a 23-member panel that oversees the agency.

In a letter to Mr. Hatch, Dr. DeVita said it would have been "improper" to inform the panels of the charges hanging over Dr. Strauss, now with the New York Medical College and the Westchester County Medical Center, because they had not yet been proven and

scientists applying for the same contract at the New York University Medical Center, where he is now chief of oncology. According to internal N.C.I. documents, he apparently learned unofficially that the N.Y.U. proposal would be turned down and telephoned the contract officer at N.C.I. to discuss deficiencies of the university's proposal. No investigation was undertaken into the source of the leak of privileged information; N.Y.U. did not get the contract. In a telephone interview Dr. Muggia admitted he was "off-base" in making direct contact but expressed "disgust" that the Congress would pick on such a "trivial issue."

The documents show that Dr. DeVita charged the agency \$1,043 for travel to Paris to pick up a \$41,000 prize, the prestigious Griffluel Award, for his internationally recognized work in chemotherapy treatment for Hodgkin's disease. His spokesman said the agency pays for all his official travel, and pointed out that he gave a lecture in Paris.

Both the committee and Government investigators allege that the institute has exercised poor surveillance over contracts, particularly in the huge bioscience program under which the N.C.I. using private contractors, tests potential carcinogens. The Senate committee is raising questions about whether it was proper to award the prime contract for this work — worth \$85 million — to Tracor-Jitco Laboratories of Rockville, Md., without the comparative review used to evaluate grant proposals. The General Accounting Office, the investigative arm of Congress, has contended that Tracor-Jitco failed to report deficiencies in the testing done by its subcontractors and Mr. Hatch is asking why N.C.I. never made a site visit to Tracor-Jitco.

Despite all this, it is widely agreed that the cancer institute has made significant contributions to cancer treatment and the development of anticancer drugs, although a dramatic breakthrough, like a polio vaccine, does not appear near. Survival rates for many cancers has grown sharply over the decade since Congress passed the National Cancer Program.

But from the beginning the agency was torn by conflicting political and scientific pressures and uncertainty about what it was supposed to do. Congress, under pressure to find a "cure" for the disease filled its coffers — annual funding grew from \$23 million in 1971 to \$337 million in 1979, and to more than \$1 billion today. In all it has spent about \$8 billion since 1971. It was perhaps too much money, some say today.

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The increases in numbers of full-time staff did not keep pace with the influx of dollars and responsibilities, and staff allocation became an acute problem, Dr. DeVita states in his prepared testimony. He adds that the agency was hard put to keep up with the new burdens heaped upon it — to test chemicals for regulatory agencies, to expand studies of cancer epidemiology, to develop a cancer control program and to expand research into cancer immunology and other areas. Much of the work had to be done in contract, he said, and it could not be properly monitored.

Criticism in Previous Years

The agency received little external scrutiny until 1978 when the Inspector General of what was then called the Department of Health, Education and Welfare issued a critical report calling attention to loose administrative practices. A follow-up was done in 1980, according to a draft of that report, which has not yet been released publicly, the cancer institute, as of June 1980, had made some improvements but much remained unchanged.

"Our follow-up review showed many

of the problems reported in 1978 still exist," it states, adding efforts to correct the problem started shortly after issuance of the May 1978 report, however, it was not carried out to completion.

Among new problems cited were a tendency of contractors not to report to their "workscope" and the failure to release of internal financial and technical information by N.C.I. to potential contractors.

In addition, the 1980 report cited the panels of "peers" — experts used to evaluate contract proposals — were often ruled by the N.C.I. staff. For a year a peer review panel in June, it found several flaws in a breast cancer demonstration project run by England Medical Center. The panel said that a month later the center given a \$149,989 one-year extension. Also, the report assessed N.C.I. improperly classified contracts as "research." For "research" contracts, no peer review was required. The N.C.I. and the National Institutes of Health replied with a rebuttal, admitting some of the terms but contending that the general had misinterpreted procedures in many cases.

Dr. DeVita says that he has established a two-tiered system of contracts, using outside experts most part. The first review, for concept, is done by separate Scientific Counselors for each agency's four programmatic areas and the second review, for merit, is done by another panel. Moreover, he says that, once contracts are now being made more closely. All contract offers, he says, have been consolidated — branch and regular reports visits are required.



The New York Times/George Tames

Dr. Vincent T. DeVita, director of the National Cancer Institute

the new grant, on cell kinetics, involved no clinical work with patients. The committee believes that the agency has been slow in efforts to retract to test suspected cancer-causing compounds allegedly misapprehended by the University of Omaha last year refused to bring criminal charges, but Senate committee staff members contend that lawyers for the department of Health and Human Services, of which the N.C.I. is a part, have been sluggish in preparing an affidavit to obtain the secret jury proceedings, getting it out only last May 11. The responsible department lawyer, Barry Walk-

er, said that he was laboring under a heavy backlog and the affidavit needed a "little thought" lest the Government destroy the case. Some high-ranking officials, according to the documents, have served on the boards of organizations that hold N.C.I. grants and contracts, or have received inside information on grants and contracts after leaving the agency. In one case, the associate director of the Division of Cancer Treatment in 1979, Dr. Franco M. Muggia, signed a plan for a contract on "Therapy of Patients with Gastric and Pancreatic Cancer," for \$6.8 million over five years. Then, after leaving the agency a month later, he was one of several