

Did Fauci and Collins Receive Royalty Payments from Drug Companies?

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May 11, 2022 10:44 AM

Open the Books is a nonprofit government watchdog organization dedicated to investigating and disclosing the many ways in which government spends — and wastes — our money.

It has a new report out that should raise eyebrows. According to information garnered from Freedom of Information Act Requests, between 2009-2014, both Anthony Fauci and former NIH director Francis Collins received royalty payments from pharmaceutical companies. This may present a conflict of interest since they had a great deal of influence in deciding what research the government funds. From the report:

Last year, the National Institutes of Health — Anthony Fauci's employer — doled out \$30 billion in government grants to roughly 56,000 recipients. That largess of taxpayer money buys a lot of favor and clout within the scientific, research, and healthcare industries.

However, in our breaking investigation, we found hundreds of millions of dollars in payments also flow the other way. These are royalty payments from third-party payers (think pharmaceutical companies) back to the NIH and individual NIH scientists.

We estimate that between fiscal years 2010 and 2020, more than \$350 million in royalties were paid by third-parties to the agency and NIH scientists — who are credited as co-inventors.

Because those payments enrich the agency and its scientists, each and every royalty payment could be a potential conflict of interest and needs disclosure.

When bench scientists' research leads to monetized benefit in the private sector, I suppose royalties are in order. And certainly, government funding should reap benefits for the government when that investments leads to the development of profitable products.

But Collins and Fauci, as far as I know, were administrators, not researchers. Yet OTB found that they received royalties from drug companies:

Since the NIH documents are heavily redacted, we can only see how many payments each scientist received, and, separately, the aggregate dollars per NIH agency. This is a gatekeeping at odds with the spirit and perhaps the letter of open-records laws.

We found agency leadership and top scientists at NIH receiving royalty payments. Well-known scientists receiving payments during the period included:

- **Anthony Fauci**, director of the National Institute of Allergy and Infectious Diseases (NIAID) and the highest-paid federal bureaucrat, received 23 royalty payments. (Fauci's 2021 taxpayer-funded salary: \$456,028).
- **Francis Collins**, NIH director from 2009-2021, received 14 payments. (Collins' 2021 taxpayer-funded salary: \$203,500)
- **Clifford Lane**, Fauci's deputy at NIAID, received 8 payments. (Lane's 2021 taxpayer-funded salary: \$325,287)

In the above examples, although we know the number of payments to each scientist, we still don't know how much money was paid – because the dollar figure was deleted (redacted) from the disclosures.

It's been a struggle to get any useful information out of the agency on its royalty payments. NIH is acting like royalty payments are a state secret. (They're not, or shouldn't be!)

Did Collins and Fauci earn these royalties from work performed before their government service or as bench researchers? Are they partial patent owners? If so, what did they contribute to the product's development? If they were rewarded for acting as administrators and not researchers, is it akin to a kickback?

Unfortunately, the NIH is keeping the matter as opaque as they can:

Consider how NIH is using taxpayer money to try and keep taxpayers ignorant and in the dark:

1. NIH defied the federal Freedom of Information Act law and refused to even acknowledge our open records request for the royalty payments. We filed our FOIA last September.
2. NIH used expensive taxpayer-funded litigation to slow-walk royalty disclosures (releasing the oldest royalties first). Although the agency admits to holding 3,000 pages, it will take ten months to produce them (300 pages per month). With Judicial Watch as our lawyers, we sued NIH in federal court last October.
3. NIH is heavily redacting key information on the royalty payments. For example, the agency erased 1. the payment amount, and, 2. who paid it! This makes the court-mandated production virtually worthless, despite our use of the latest forensic auditing tools

NIH is essentially telling you, the taxpayer, to pay up and shut up. They'll run things.

To say the least, congressional oversight is warranted over these questions. It's time for Fauci and Collins to answer some pointed questions in open hearings.