

June 3, 2016

To the Subcommittee on Oversight and Investigations of
The House Committee on Veterans Affairs:

Nearly five years ago I was traveling the world sharing the results of my research which were touted in *Neurology Today* as the first real hope for a cure for head trauma. I was generously funded by both the National Institutes of Health (NIH) and the Veterans Administration (VA) to develop this research into a viable treatment for our Veterans and the public, at large, suffering the effects of brain injury. I was an assistant professor on tenure track, a VA investigator, a world-renowned expert in the field of traumatic brain injury (TBI), had a well-staffed laboratory, mentored students, the Chairman of the Board of Southfield Oncology Institute (IRB), and had a very successful and happy personal life—all the signs of success that can be achieved in America. However, this was all stripped away from me when I started to detect and brought to light chronic and systemic misappropriation of government monies. Now, I am an entry level line worker at an automotive plant without a home, swimming in debt, and involved in multiple litigations against the very entities I am trying to protect. In short, my payment for blowing the whistle on hundreds of millions of dollars of grant fraud is not protection but, rather, currently total destruction.

To explain how my life was ruined, in 2010 I was heavily immersed in my research which sought to develop a drug therapy to alleviate the signs and symptoms of head trauma. Additionally, I was selected by multiple government agencies (e.g., Department of Defense, VA, NIH) to review grants pertaining to TBI. Around the same time, large amounts of tax payers' dollars were being requested and reallocated to develop treatments for TBI which appears to be a national crisis affecting both our military personnel and the general public. At this same time I received funding from both NIH and VA to explore a novel therapy for TBI. The mechanism to allow me to explore further research to combat TBI was facilitated by a three way contract entered into between myself, VA and the affiliated educational institute for VA in Detroit, Wayne State University ("WSU") (Exhibit A).

While engaged in research at WSU, I began to detect irregularities in the grant procurement process—from how grants were being funded, who reaped the benefits of the money, to even how my salary was being determined. Specifically, I was asked by VA's educational affiliate, WSU, to sign off on an effort report which declares to government agencies how much time I was willing to allocate to a particular funded project in order for the University to be reimbursed from federal funds for my salary. I noted that I was being asked to sign off on a document that contained erroneous information. The University was claiming that I was allocating more time on my NIH grant than I was and, consequently, was asking the government to reimburse more of my salary than should be. I protested this and refused to sign off as it was not a true reflection of my effort and represented potential grant fraud. Two months after this I noted that grant funds from my grant were being syphoned off to pay for another faculty member's project. This, too, seemed blatantly wrong and I further protested this to the chair of my department. In December 2010, after discussing some of these issues with colleagues that sat on the policy committee at WSU I was recommended to serve on an internal committee designed to report to the Provost, Ronald T. Brown, any irregular policies that may be occurring at the University. I specifically was tasked to probe the research division. What I found was astonishing.

In the process of my review of Wayne State University's granting practices, I discovered that a chronic issue was manipulation of effort reports in order to obtain more money from the government to offset salary costs of faculty. I also discovered that often money allocated to particular projects was being used to fund different projects without reporting this to the funding agency. I detailed this in a report to the Provost and to the Vice President of Research, Hilary Ratner. It was at this time that I was severely retaliated against. I was charged with allegations of committing scientific misconduct in my own research. Ironically, my ultimate judges in this matter were both the Provost and the Vice President of Research who both promptly terminated my employment at WSU and reported to NIH that I was not a trustworthy individual.

In March of 2012, after being terminated from Wayne State on spurious charges of scientific misconduct after I blew the whistle regarding grant fraud, I moved my entire research project to John D. Dingell VAMC (JDDVAMC), again, Wayne State University's academic and financial partner. Unfortunately, the same type of retaliation continued, leading to my termination at VA, as well. After being exonerated twice of the same misconduct charges at VA, a third inquiry was undertaken that ultimately led to an Administrative Investigative Board (AIB) and pronouncement of my guilt at VA, too. It should be noted that WSU inserted its influence in that inquiry and AIB members wore two hats, being faculty or even Deans at WSU in addition to VA employees. Furthermore, the new Chief of Staff at the time, Scott Gruber, was also a Dean at WSU's medical school.

To now focus on, specifically, the VA involvement in this situation, through my own investigation of my grants and those that I had access to through grant review, I detected the following grant disparities which occur through partnering of VA medical centers with affiliated Universities:

1). *Inappropriate sharing of funds between VA and the affiliate without proper oversight.* Upon comparing my VA grant expenditures to my NIH grant expenditures I noticed that the vast majority of my VA grant was going directly to Wayne State University (Exhibit B), supposedly to pay for faculty and personnel at Wayne State that would contribute to my VA grant project. There were two fundamental problems, here. First, those same personnel were being paid by my NIH grant and/or University start-up funds and, second, many of these people never contributed to my VA project. In one case, there was a "ghost employee", or someone who I was not even sure who it was. Obviously, Wayne State should not have been receiving VA funds for these people as they were, essentially, "double-dipping".

2). *Allegedly falsified effort reporting.* I also noted that effort was being manipulated by several individuals in order to allow those individuals to compete for other grants without exceeding 100% effort or in some cases disregarding time and effort standards altogether. As recently as my pending trial in front of the Merit Systems Protection Board (MSPB), it was revealed through the course of testimony that the administration at JDDVAMC arbitrarily manipulated my effort on a currently funded grant in order to make the math work on me having two projects at once. In fact, through my grant reviewing efforts, I discovered that this is, in fact, common practice. As an example I have included a biosketch of a VA-funded researcher at University of Pittsburg, Edward Dixon, who is Principle Investigator on numerous grants which, conceivably, it is impossible that he could devote physical effort to all of these projects, yet he is receiving salary support for each (Exhibit C).

3). *Inappropriate sharing of equipment and payments for this equipment between VA and the affiliate.* Furthermore, Wayne State University in many cases charged VA for use of its space and equipment even when, in some cases, the very equipment being purchased is being purchased by VA funds. Thus, Wayne State not only benefits from receiving VA-funded equipment, but also receives direct funds from

VA to utilize this equipment and/or the space that houses the equipment. It should also be noted that in many of the same cases this space and/or equipment, is also being charged to NIH and, thus, the government is paying twice for the same item while the University is reaping in the government funds.

4). *“Improper influence”¹ of the Affiliate over VA.* Also astonishing was what I discovered about oversight of VA grants. I discovered that Wayne State University provides research and monetary oversight over JDDVAMC using Wayne State personnel, many of which are both Wayne State and VA employees. Thus, the VA had little control over how research is conducted or how research money is being processed as the oversight is conducted by and through Wayne State University, the affiliated University, which receives a significant portion of the VA funds. It is through this affiliate oversight and influence over the VA that another chronic problem emerges. Contracts with individual faculty that share University and VA appointments are negotiated chiefly by University personnel or by those VA personnel that also have appointments with the University. In fact, as pointed to above, the Chief of Staff at JDDVAMC, Scott Gruber, is a Dean at WSU’s medical school. This allows for a broad range of salaries to be paid via VA funds to supplement University salary (e.g., in excess of \$155,000 per year for just the VA portion of an individual’s salary), none of which conform to any VA policy, let alone to any general schedule (GS) standards. These potentially fraudulent practices are not limited to Wayne State University/JDDVAMC, but, rather, are ubiquitous throughout the nation.

What steps were taken to try to rectify these troubling grant practices? After discovering these allegedly illicit practices which not only waste tax payers’ resources but also divert funds that are supposed to be used to help discover cures for disease and infirmity, I first reported to my superiors. At Wayne State I reported to first my chair and then to the Provost. At VA I reported many of these irregularities through a series of administrative Grievances filed against the Medical Center Director, Pamela Reeves, and other VA personnel. What was the outcome? My report to the Provost at Wayne State was, in the words of the Provost’s assistant, “deep-sixed.” My Grievances were either ignored or summarily dismissed by Pam Reeves, the very person being grieved. I also brought my allegations to both administrators at HHS and the VA IG. They were largely ignored or referred back to the very people that ignored them initially. Even at the highest levels, my Grievances were ignored. Robert Petzel, former Undersecretary of Health, chose not to address the problems that I raised in the Grievances. Further, Douglas Bannerman, former Research Misconduct Officer for the VA, admitted, under oath, that he was aware of my Grievances yet did nothing. As what happened to me in WSU, I was likewise retaliated against and terminated by VA by a panel stacked with members that have clear conflicts as further discussed above.

To address my wrongful termination at WSU, I had no choice but to file lawsuit. Currently, my False Claims lawsuit against Wayne State is pending cert. from the Supreme Court of the United States of America. (By way of background, the current laws governing the False Claims action are interpreted differently across circuits as to whether or not Wayne State can be sued based on its status as a “State-Institution”). To address my wrongful termination by VA, I filed an appeal, which is currently being tried through the MSPB. I continue to be retaliated against even pending the outcome of this trial.

Despite heroic efforts by Congress to protect whistleblowers, does the VA still engage in retaliation for blowing the whistle? Yes. I feel it is important to also illustrate to you the level at which the VA continues to retaliate against those that blow the whistle, which is the subject of my MSPB claim. While

¹ See *Mithen v. Department of Veteran’s Affairs*. Of note, this case involves similar “improper influence” of Universities over VA.

at the VA, and after making my disclosures of grant fraud at Wayne State University, JDDVAMC's affiliate, I was charged and found guilty of scientific misconduct despite there being little to no evidence which suggests that I committed any misconduct. In fact, previous to VA being aware of my disclosures, I was found not guilty of misconduct. It was only after they were made aware of my disclosures of grant fraud that a third investigation against me was conducted which, again, was run by VA employees who had Wayne State appointments as stated above.

During the course of this investigation VA personnel took my computers (even though they admitted that no evidence was located on these computers) and accidentally erased all of my data which completely eradicated my ground-breaking research. I was subjected to being warehoused in a small office with two other individuals that often exceeded 90 degrees Fahrenheit. My phones were routinely monitored. My emails were routinely hacked. My due process rights were trampled on. My salary was reduced. I never received salary from a grant that I was on despite JDDVAMC receiving the funds to cover salary. I was stripped of my union representation. I was harassed by multiple VA personnel. I was taken out of the building by police escort in front of my colleagues and forced to go on paid leave (which further crippled my research mission). Further, my personnel, who supported me in testimony, were terminated despite my grant continuing to be funded. To meet their retaliatory end, VA personnel ultimately fired me and banned me from VA service for 10 years (which is outrageous even if I had committed misconduct, especially in light of the lack of punishment for so many VA administrators who did manipulate data with regards to wait times). Even the current MSPB trial has been met with great challenge at the hand of VA personnel. For example, VA agreed to mediation in settling this matter only to go on to show a lack of good faith by not proffering any reasonable offer. This added unnecessary time to the MSPB proceedings. Dennis McGuire, Chief Counsel to VA, taunted me after one of their witnesses stated that VA routinely changes effort in order to facilitate other grants, stating that he welcomes me to file a lawsuit against the VA for grant fraud. Furthermore even Robert McDonald, Secretary of the VA, attempted to strip me of my due process rights by, through his lawyers, submitting a motion to essentially attempt to block my ability to exercise my rights through the MSPB. So currently, instead of putting my talents to finding a cure for TBI I am sorting and balancing tires for pickup trucks twelve hours a day. To add insult to injury, during the course of my current trial, this matter was raised and Counsel for VA, Amy Slameka, objected stating that I should not complain since a line job is not a bad job. While I will not comment on the degree of satisfaction of my current job, certainly we can agree that I did not go through nearly twelve years of University coursework and training to work in an entry level position at a fraction of my previous salary.

To further illustrate the extent to which retaliation is the *modus operandi* of VA administrators, the retaliation against me is not limited to just me. My colleague and former student, Justin Graves, refused to condemn me when he was called to be a witness in the investigation into scientific misconduct. Further, he called into question the Administrative Investigation Board's conduct (which included stripping him of his union rights) and within weeks he was fired. Now Mr. Graves is involved in a separate MSPB lawsuit which has languished on for over two years now. He too has been humiliated and stripped of his career trajectory. Thus, despite the efforts of Congress to establish laws that protect whistleblowers, regrettably these laws do not dissuade VA personnel from engaging in what appears a chronic culture of retaliation.

How does one fix this systemic problem?

Now that I have illustrated not only how University/hospital affiliates exert undue influence on the VA which often leads to waste and gross mismanagement in hundreds of millions of dollars of VA funds and

after articulating my personal case of how the VA continues to engage in Kafkaesque retaliation to those that are compelled to blow the whistle on such schemes, I would be remiss in not acknowledging that this otherwise dismal situation can be fixed. First, the lines that University affiliates have so blurred need to be made clear again. Proper policies that make clear the dissemination of resources need to be put into place to protect the VA mission and resources from being squandered. Second, oversight needs to be placed back into the central authority of the VA and not entrusted to Universities which often have self-interests that may conflict with the ethics and standards of VA. Third, proper oversight of all government granting agencies needs to be centralized such that redundancy and overlap in resources and effort are mitigated. With these and other measures, the ever-encroaching cancer that infects the otherwise beneficial mission of the VA can be excised. As for the whistleblower, VA administration must shed the current culture of treating whistleblowers as the enemy that needs to be crushed and try to understand that the vast majority of us are trying to help a broken system. Regrettably, currently even the Secretary of VA seems to want to live in a fantasy world where making excuses for what the nation sees as systemic problems is the way to fix the VA, while many of us are begging for the eyes to be open and to be transparent to systemic problems that CAN be fixed before the entire VA is reduced to mere ruins.

In closing, I discovered hundreds of millions of dollars of grant fraud (billions if one includes institutions in addition to Wayne State University and JDDVAMC) which deplete government funds, including those earmarked for the VA. Much of this fraud is related to the lack of oversight of grant funds to the VA and, more broadly, to the affiliated Universities. When I reported this I was met with extreme retaliation leading to my current dismal situation.

However, as I still have complete faith in my country, my government, and my government institutions, I do believe this tragedy is still capable of being fixed. I also believe that many of the aspects that make this Great Nation were accomplished through great personal sacrifice. Though I have made this sacrifice and have been annihilated by the VA, I am still committed to helping in any way that I can to fix this problem. With appropriate oversight, clear separation of duties between the VA and its affiliated University/Hospital, and proper provisions to assure accountability of those receiving government funds, VA's commitment to finding cures for diseases and injuries can be achieved. As our country faces ever increasing health problems, whether it be cancer or head trauma or new issues such as Zika virus, I still firmly believe that government-funded research holds the answer to cures to overcome the adversity associated with these medical issues.

I thank you for your due diligence in investigating this matter, I thank you for allowing me the opportunity to bear witness to my situation as being a representative of a more chronic dilemma, and I thank you for serving our country in its efforts to protect the American People. Once again, please feel free to call on me to assist in any way that I can in fixing this problem so that the VA and other government institutions can more efficiently and more effectively treat medical complications.

Respectfully Submitted,

Dr. Christian Kreipke