



Formerly The Foundation for Taxpayer & Consumer Rights

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April 23, 2008

Daniel W. Hancock
Chairman
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA
95814

Dear Mr. Hancock,

I am writing to ask that the Little Hoover Commission study the governance structure of the California Institute for Regenerative Medicine (CIRM). After two-and-half years directing our organization's Stem Cell Oversight and Accountability Project, which has been funded by the Nathan Cummings Foundation, I am convinced that substantial changes are needed to make the stem cell agency more efficient and responsible to the public. There are three broad areas that need attention:

First, the agency's oversight board, the so-called Independent Citizen's Committee (ICOC), is designed with built-in conflicts of interest. By law, 13 members are representatives of the very institutions that receive most of the research grants awarded; ten are "disease advocates," representing concerns and agendas of sufferers of specific diseases and four represent the life sciences industry. There really are no representatives of the broad public interest.

Second, the board is too large to be effective. The chairman and vice chairman bring the total to 29 members. A super-majority of 65 percent of those eligible to vote constitutes a quorum. Too frequently the ICOC has been thwarted in attempts to conduct business for lack of a quorum.

Third, members of the scientific working groups that review grant applications and make recommendations for funding to the ICOC are not required to publicly disclose their financial interests.

I hope the Commission will decide to study CIRM's oversight and governance. When \$6 billion in taxpayer money is at stake, the most efficient, responsive and transparent procedures are necessary. I look forward to providing any additional information you might find useful.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Simpson".

John M. Simpson
Stem Cell Oversight and Accountability Project Director

Cc: Stuart Drown, executive director