



CANCER PREVENTION &  
RESEARCH INSTITUTE OF TEXAS

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January 24, 2013

Mr. John Keel, CPA  
State Auditor  
P.O. Box 12067  
Austin, Texas 78711-2067

Dear Mr. Keel:

The Cancer Prevention and Research Institute of Texas (CPRIT) appreciates the courteous, thorough, and professional work conducted by the State Auditor's Office to review CPRIT's first years of operations. Notably, CPRIT agrees with all 42 recommendations made for the agency, and is modifying its rules and policies to implement these recommendations. Many of the recommendations will increase transparency and strengthen administrative controls, both of which are crucial for restoring the legislature's and public's trust in CPRIT's ability to carry out its mission.

In the four short years that CPRIT has been operational, the agency has developed a sophisticated grant award program that has received more than 3,000 grant applications. CPRIT has announced 499 awards totaling nearly \$836 million to 72 academic institutions, non-profit organizations, and private companies in Texas. CPRIT recruitment grants have helped to bring 44 outstanding researchers to Texas, including some of the nation's leading cancer experts. CPRIT prevention grants are reaching Texans in every county of the state and saving lives today through education and clinical services. Product development efforts have been supported through the award of 13 grants to companies throughout Texas, which have attracted more than \$200 million in outside capital. During that same time, the agency has adopted all of its administrative rules, hired more than 200 cancer expert reviewers, implemented a financial management system, and created an electronic grant receipt system with a newly-added grant management system.

The report paints an accurate picture of an agency in the early stages of its development. Some of the missteps identified in the report are common in new agencies when executives and volunteer board members are new to state administrative practices and do not have established agency policies upon which to rely. Although serious, the missteps appear to have only affected a few of CPRIT's awards.

Positive steps had already begun to install proper controls and procedures to prevent reoccurrence of the problems identified in this report. Experienced public administrators have been brought onboard who are prioritizing process transparency, compliance with state contracting and administrative practices, and operating in a manner that can restore legislative and public confidence.

Since the audit work was undertaken, a nationally renowned scientific officer has joined CPRIT to oversee intricate peer review processes and a highly qualified compliance officer has been hired to certify that established sound processes are followed and not circumvented in making awards. Oversight Committee members have indicated a willingness to distance the agency and themselves from potential conflicts of interests caused by too closely associating with the foundation operations and actively engaging in the grant application review and recommendation process.

CPRIT is an innovative public entity, unique among states, approved by the voters of Texas, and established to mitigate illnesses that impact every Texan. We are confident that if CPRIT addresses the problems identified in this report and continues to build on the successes its programs have demonstrated, it can regain its momentum towards the fight against cancer.

Sincerely,

A handwritten signature in cursive script that reads "Wayne Roberts".

Wayne Roberts  
Interim Executive Director