



## Congressman Lee M. Zeldin

### First Congressional District of New York

March 16, 2021

The Honorable Janet Yellen  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

Dear Secretary Yellen,

In 2012, the Committee on Foreign Investment in the United States (CFIUS) cleared Beijing Genomic Institute's (BGI) proposed acquisition of Complete Genomics, a major American genotyping company. Since then, the People's Republic of China (PRC) has aggressively pursued tactics to gain access to U.S. healthcare data, including genomic data. PRC has outlined their intent to use healthcare data to dominate the biotech market while BGI has expanded its presence in the United States through acquisitions of biotech firms. As a result, BGI has acquired large personal healthcare datasets of Americans, which is why I request CFIUS revisit BGI's acquisition of Complete Genomics.

Chinese firms have invested significantly in U.S. healthcare firms by taking equity stakes in biotech firms that conduct genomic sequencing services. When BGI's acquisition of Complete Genomics was under review, there were national security concerns for allowing a company largely funded by the Chinese government to have access to the genetic data of patients in the U.S. In fact, Illumina CEO Jay Flatley asked the Complete Genomics board to reconsider rejecting the bid, noting that "national security, industrial policy, personal identifier information protection and other concerns raised in connection with an acquisition ... by a foreign state-owned entity create meaningful uncertainty around a BGI acquisition."<sup>1</sup> Nevertheless, CFIUS cleared the acquisition. Almost a decade later, BGI's partnerships in the United States have only grown with offers to build COVID 19 testing labs. BGI has gained access to U.S. patient samples, some of which are sent to BGI in China for sequencing on BGI machines.

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<sup>1</sup> Friess, S. "Concerns over Chinese Genomics bid." (2012, December 04). Politico.  
<https://www.politico.com/story/2012/12/concerns-arise-in-chinese-bid-for-genomics-firm-084516>

BGI has significant ties with the Chinese government including millions of dollars in loans from a state-owned bank and a recipient of local government grants in PRC. According to a USTR Section 301 report, BGI leadership features multiple officials who held CCP and government positions before joining BGI.<sup>2</sup> When CFIUS was reviewing this acquisition, the PRC had not established laws that expressly mandated data sharing with the Party-State and had not yet released Made in China 2025. Now, PRC companies, like BGI, are required to “support, assist, and cooperate with Chinese national intelligence efforts,” meaning that any data BGI acquires, including in the United States, can be transmitted to the Chinese Communist Party. Additionally, Made in China 2025 prioritizes state support for its biotech industry to increase collection of healthcare data both at home and abroad to achieve its goal of becoming a global biotech leader.

The administration needs to conduct closer reviews of investments by Chinese companies in U.S. firms that handle sensitive healthcare and other types of personal data. BGI’s acquisition of Complete Genomics is just one example of how Chinese firms target the U.S. genomics sector. In 2015, WuXi Healthcare Ventures invested in 23andMe, a U.S. company offering genetic tests to consumers.<sup>3</sup> The Foreign Investment Risk Review Modernization Act of 2018 expanded the jurisdiction of regulators to transactions involving U.S. businesses that “maintain or collect sensitive personal data” of U.S. citizens that may be exploited in a manner that threatens national security. Therefore, CFIUS should reassess BGI’s acquisition of Complete Genomics and prioritize the safety of sensitive healthcare data in any future transactions it may review.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lee Zeldin', written in a cursive style.

Lee Zeldin  
Member of Congress

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<sup>2</sup> 2020 Report to Congress of the U.S.-China Economic and Security Review Commission. (2020, December). [https://www.uscc.gov/sites/default/files/2020-12/2020\\_Annual\\_Report\\_to\\_Congress.pdf](https://www.uscc.gov/sites/default/files/2020-12/2020_Annual_Report_to_Congress.pdf)

<sup>3</sup> Today, C. (2015, October 21). WuXi healthcare invests in Us Genomics testmaker 23andMe. <http://www.chinabiotoday.com/articles/20151021/>