

An illicit, Chinese-owned lab fueled conspiracy theories. But officials say it posed no danger



1 of 5 | Code enforcement officer Jesalyn Harper walks past the garden hose which tipped her off to an illegal medical lab owned by Chinese business people that was operating inside an old warehouse in Reedley, Calif., on Aug. 1, 2023. (Eric Paul Zamora/The Fresno E

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BY OLGA R. RODRIGUEZ

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SAN FRANCISCO (AP) — Jesalyn Harper, the only full-time code enforcement officer for the small, agricultural city of Reedley in California's Central Valley, was responding to a complaint about vehicles parked in the loading dock of a cold-storage warehouse when she noticed a foul smell and saw a garden hose snaking

into the old building.

A woman in a lab coat answered her knock, and behind her were two others in plastic gloves and blue surgical masks, packing pregnancy tests for shipping. Harper said they spoke broken English and told her they were from China. Walking through the lab, she found dozens of refrigerators and ultralow-temperature freezers hooked to illegal wiring; vials of blood and jars of urine in shelves and plastic containers; and about 1,000 white lab mice being kept in crowded, soiled containers.

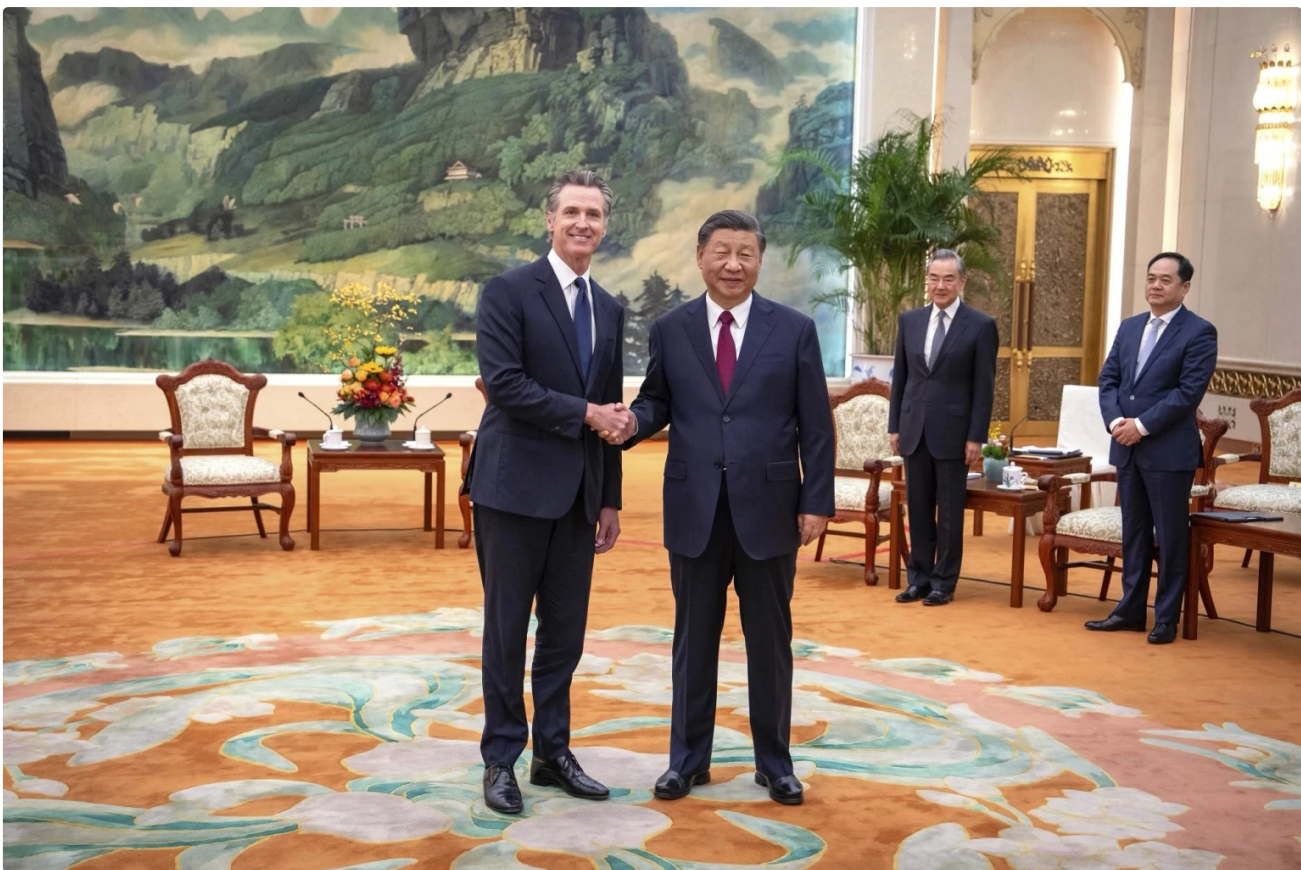
The women said the owner lived in China, provided a phone number and email address and asked her to leave. Alarmed by what she saw, Harper, whose work mostly entails ensuring people have permits for yard sales and are keeping their lawns mowed, contacted Fresno County health officials and then the FBI.

The discovery last December launched investigations by federal, state and local authorities who found no criminal activity at the medical lab owned by Prestige Biotech Inc., a company registered in Las Vegas, and no evidence of a threat to public health or national security. Nonetheless, it was just the beginning of a case that this summer fueled fears, rumors and conspiracy theories online about China purportedly trying to engineer biological weapons in rural America.

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During a March inspection of the lab in Reedley, a city of about 25,000 people some 200 miles (320 kilometers) southeast of San Francisco, officials did find infectious agents in the refrigerators including E. coli, coronavirus, malaria, hepatitis B and C, dengue, chlamydia, human herpes, rubella and HIV.

But the federal Centers for Disease Control and Prevention said there was no sign that the lab was illegally in possession of the materials or had select agents or toxins that could be used as bioweapons.

“CDC has taken no further action in this matter,” the agency said in an email to The Associated Press, referring further questions to county and state officials.

After company representatives stopped communicating with city and county officials, they got a court order to shut down the operation, euthanized the mice and cleaned the biological materials. Officials thought that would be the end of it.

Then on July 25, the Mid Valley Times, a local online news outlet, published a story about the lab that quoted court documents saying a representative of Prestige Biotech, which makes pregnancy and coronavirus tests sold online, told officials in March that the mice had been genetically modified to catch and carry the virus that causes COVID-19.

That was likely a miscommunication by Prestige Biotech representative Wang Zhaolin, whose English is not perfect, Harper said.

“She stated that the mice were bred, and then she hesitated and said they were modified to carry COVID,” Harper said Zhaolin told her and other officials. After the lab was shut down, she added, Wang stopped cooperating with them.

Wang’s comment prompted Reedley authorities to hire Nina Hahn, a vet formerly contracted by the Lawrence Berkeley National Laboratory, to examine the mice. Hahn found they had not been injected with any infectious agent and were simply used to grow COVID-19 antibody cells to make testing kits. She also determined they were not subjected to experimentation, Harper said.

But that hasn’t stopped the furor, however.

After the Mid Valley Times article, national media outlets published stories saying the lab had bioengineered mice to carry COVID-19. A Fresno city official questioned the lab’s proximity to Lemoore Naval Air Station, about 35 miles (55 kilometers) away in neighboring Kings County. In a war with China, the official said, fighter jets would deploy from the base.

Last week House Speaker Kevin McCarthy, a California Republican who represents a Congressional district neighboring Reedley’s, said during a visit to a nearby town that he plans to raise concerns over the “very

disturbing" case with colleagues on the Select Committee on China and follow up with the FBI.

"My concern is to get to the bottom of what happened here but to also look at where this is happening in other parts of this country as well," McCarthy said.

Lok Siu, a professor of Asian American and Asian diaspora studies at the University of California, Berkeley, said the fears being fanned online reflect anti-Chinese sentiments that have existed in the United States for centuries and were heightened during the pandemic.

Siu said some people wrongfully assume all ethnic Chinese or Chinese-owned businesses have ties to the Chinese state. "They're not given the ability to act as responsible or irresponsible individuals," she added.

In Reedley, where the laboratory failed to officially register, officials took a dim view of the operation.

"They were bad actors. They never came to the city and they moved in in the middle of the night. Those are pretty big elements that tell us they did not want us to know they were here," said Nicole Zieba, Reedley's city manager.

The California Department of Public Health said in a statement that all clinical laboratories must get state a license to operate and Prestige Biotech does not have one. The CDPH said its investigation is ongoing.

Several Prestige Biotech representatives including attorney Michael Lin in Las Vegas did not respond to emailed requests for comment sent by AP.

There were also questions from some about why the federal investigation was not made public until the Mid Valley Times reported on it.

Zieba said that early on, state and federal officials advised the city to not share information with the public about the lab, which had been operating illegally in the city since October 22, because the investigation was still ongoing.

And after California's Department of Toxic Substances Control checked the air and water and found no threat, she decided to heed that advice.

"It was fairly quickly apparent to us that there was nothing airborne, nothing in the water, nothing in the sewer system, so our public was safe," Zieba said. "Had there been any hazard to their safety, we would have immediately notified the public."

Reedley officials said what has been most concerning about the discovery was finding out there is no single government entity overseeing private medical laboratories.

"What's frustrating is that we're focusing on these myths, bioengineered weapons and stuff like that, rather than the real issue, the lack of regulation of these private labs," Harper said.

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