

**EXPOSING THE DANGERS OF THE
INFLUENCE OF FOREIGN ADVERSARIES
ON COLLEGE CAMPUSES**

HEARING

BEFORE THE

SUBCOMMITTEE ON HIGHER EDUCATION
AND WORKFORCE DEVELOPMENT

OF THE

COMMITTEE ON EDUCATION AND THE
WORKFORCE

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

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**EXPOSING THE DANGERS OF THE
INFLUENCE OF FOREIGN ADVERSARIES
ON COLLEGE CAMPUSES**

Thursday, July 13, 2023

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HIGHER EDUCATION AND WORKFORCE
DEVELOPMENT,
COMMITTEE ON EDUCATION AND THE WORKFORCE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:16 a.m., Rayburn House Office Building, Room 2175, Hon. Burgess Owens [Chairman of the Subcommittee] presiding.

Present: Representatives Owens, Thompson, Grothman, Banks, Good, Moran, James, Foxx, Wilson, Takano, Jayapal, Manning, Courtney, Sablan, Bonamici, Adams, and Scott.

Staff present: Cyrus Artz, Staff Director; Mindy Barry, General Counsel; Hans Bjontegard, Legislative Assistant; Solomon Chen, Professional Staff Member; Isabel Foster, Press Assistant; Daniel Fuenzalida, Staff Assistant; Sheila Havenner, Director of Information Technology; Meghan Heckelman, Intern; Claire Houchin, Intern; Amy Raaf Jones, Director of Education and Human Services Policy; Hannah Matesic, Deputy Staff Director; Audra McGeorge, Communications Director; Gabriella Pistone, Legislative Assistant Oversight; Rebecca Powell, Staff Assistant; Mary Christina Riley, Professional Staff Member; Chance Russell, Professional Staff Member; Kent Talbert, Investigative Counsel; Brad Thomas, Senior Education Policy Advisor; Sapna Rampersaud, Legal Intern; Savoy Adams, Minority Intern; Brittany Alston, Minority Operations Assistant; Amaris Benavidez, Minority Professional Staff; Rashage Green, Minority Director of Education Policy & Counsel; Christian Haines, Minority General Counsel; Kristion Jackson, Minority Intern; Emanuel Kimble, Minority Fellow; Stephanie Lalle, Minority Communications Director; Raiyana Malone, Minority Press Secretary; Kota Mizutani, Minority Deputy Communication Director; Veronique Pluviose, Minority Staff Director; Banyon Vassar, Minority IT Administrator.

Chairman OWENS. The Subcommittee on Higher Education and Workforce Development will come to order. I note there is a quorum present. Without objection, the Chair is recognized to call a recess at any time. Today's hearing addresses the growing threat of foreign influence in American Education.

The father of this Nation, George Washington, was acutely aware of this threat, and has offered sage advice to future generations

upon leaving office. In his farewell address Washington warned history and experience prove that foreign influence is one of the most painful foes of Republican government.

In the year 2023, Washington would look upon the foreign entanglements with disfavor and disappointment. China, and other foreign adversaries are determined to undermine America's national interest and affect our political discourse. The modern battleground now includes college universities, campuses, and now student's young minds.

In April, I took to the floor to condemn the foreign influence in our post-secondary academic institutions. I said then what I will repeat today. The manipulation of our children on America soil, paid for by American taxpayer is unacceptable. For those who facilitate and undermine our institutions, it is traitorous. We are now in an era with too many American college and university administrators, due to financial incentives or bribes, from adversarial regimes, choose to allow indoctrination on our American campuses.

I call it profitable patriotism. Adversaries, monarchs, bureaucracies, dictatorships, and anti-American Chinese Communist party pay for influence in our universities through foreign gifts and funding. It is the height of disloyalty. If the Biden administration will do nothing about it, we have a Republican party in Congress, I promise we will.

Under Section 117 the Higher Education Act, colleges and universities must, and must is not an option. Must disclose any foreign funding to their institutions exceeding \$225,000.00. In 2019, the Senate report found 70 percent of colleges choose to skirt, hide, and cheat, so as not to be compliant with this law.

We are now at a time when only 30 percent of the college administrations overseeing our educational institutions gain it important to follow a law put in place by Congress with oversight authority. To make matters worse, the Trump administration found 6.5 billion dollars in previously undisclosed foreign funds.

Once again, profit over patriotism, profit over love of country, and profit over love of freedom. Our adversaries, and America's enemies, some guilty of absolutely the worst human right abuses, did not pay these dollars to educational institutions because of some pie in the sky wish of humanitarian goodness.

No, these dollars come with strings attached, which are then used to leverage against American faculty and students. Meanwhile, the American taxpayer is left supporting institutions that sacrifice our national values, our freedom and our future for money. For example, foreign funds are used to set up State backed cultural exchange centers that operate as cultural indoctrination centers.

China, for instance, donates money to American universities to fund Confucius institutions, renown campus hubs known for pushing propaganda like the denial of the Tenement Square massacre. These institutions also monitor and threaten Chinese international students here in the United States if they speak out against the CCP.

Political pressure has caused many of these institutions to close on paper, but in reality, they simply evolve and rebrand under a different name. These problematic relationships still pose a direct

threat to students and academic freedom. Moreover, the foreign funding creates inroads for intellectual property theft.

In this arena again, China posed a serious threat for our 80 percent of economic espionage crimes are prosecuted by the Department of Justice are committed by Communist Chinese actors. The theft of trade secrets costs Americans an estimated 600 billion dollars annually.

How many of these American universities are inadvertently sponsoring CCP backed espionage? There are 70 percent—70 percent of college administrators who are not compliant, opting not to be transparent to congressional oversight. Far too long, educational institutions have reaped financial benefits while our enemies have undermined our culture.

Ultimately, too many of these college administrators feel they are above the accountability and oversight. What else can we conclude other than there is a systemic sense of arrogance within these institutions. Once again, 6.5 billion dollars funneled in secrecy, undisclosed foreign finances to 70 percent of American institutions and learning.

For a regime that is anti-capitalist, the CCP seems to have found a remarkable return on investment in our taxpayer funded colleges and universities. It is time we take these foreign threats seriously, beginning with foreign influence on America's campuses. We should disentangle from China, as Washington would have preferred, but requires—this requires a serious executive.

The Biden administration does not seem to get it. Recently, Secretary Janet Yellen called the coupling from China a big mistake. National Security Advisor Jake Sullivan echoed her a week later. Biden's reckless Department of Education has yet to open up one single section 117 investigation.

Department talks on both sides of his mouth on this particular issue. Their department blames Congress, saying that they are overwhelmed and lack funding. And yet the DOE transferred this authority to investigate these violations from a well-equipped Office of General Counsel to an underwater FSA.

The FSA is ill suited for enforcement that online portal to report these violations were broken for months, with no communication. We also have no indication the Department is conducting substantial reviews of any submitted disclosures. For those who are curious, what is the FSA? The Federal student aid. What do the student loans have to do with the CCP infiltrating, bribing our institutions and stealing our intellectual properties? Absolutely nothing.

It is a total sham that the Department of Education thinks they did away with this, and I think it's pure arrogance. Rather than enforce the law, President Biden has cozied up with Beijing. Thanks to congressional oversight, we now know that the Penn Biden Center received tens of millions of dollars in anonymous Chinese funding, and then paid the future President a handsome salary of \$900,000.00.

Moreover, we know that the Penn Biden Center employed 10 future senior administrative offices officials, with salaries up to \$280,000.00. Does this have anything to do with the administration's unwillingness to enforce Section 8, 117? We're waiting to see how that works out.

It appears that the Biden administration has purposely chose to turn a blind eye. I can promise you this Committee with the Republican majority will not. Freedom can only survive with transparency. The next reporting deadline for Section 117 disclosures is at the end of this month.

This administration has just under 20 days to ensure that the American's colleges and universities, taxpayer funded institutions, are not hiding foreign donations from public eye. For the sake of our republic, and the millions of taxpaying Americans, we look for full transparency from these institutions.

With that, I yield to the Ranking Member for her opening statement.

[The statement of Chairman Owens follows:]



COMMITTEE
STATEMENT

**Opening Statement of Rep. Burgess Owens (R-UT), Chairman
Subcommittee on Higher Education and Workforce Development
Hearing: “Exposing the Dangers of the Influence of Foreign Adversaries on
College Campuses”
July 13, 2023**

(As prepared for delivery)

Today’s hearing addresses the growing threat of foreign influence on American education.

The father of this nation, George Washington, was acutely aware of this threat and offered sage advice to future generations upon leaving office. In his farewell address, Washington warned, “History and experience prove that foreign influence is one of the most baneful foes of republican government.”

In the year 2023, Washington would look upon our foreign entanglements with disfavor and disappointment.

China and other foreign adversaries are determined to undermine America’s national interests and infect our political discourse. The modern battleground now includes college, university campuses, and our students’ young minds.

In April, I took to the House Floor to condemn foreign influence in our postsecondary academic institutions. I said then what I will repeat today, “The manipulation of our children on American soil—paid for by the American taxpayer—is unacceptable.” And for those who facilitate undermining our institutions, it is traitorous.

We’re now in an era when too many “American” college and university administrators—due to financial incentives or bribes from adversarial regimes—choose to allow indoctrination on our American campuses. I call it “profit over patriotism.” Adversaries, monarchies, theocracies, dictatorships, and the anti-

American Chinese Communist Party, pay for influence in our universities through foreign gifts and funding. It is the height of disloyalty, and if the Biden administration will do nothing about it, we have a Republican Party and Conference, I promise you, that will.

Under section 117 of the Higher Education Act, colleges and universities must disclose any foreign funding to their institution exceeding \$250,000. Yet in 2019, a Senate report found 70 percent of colleges choose to skirt, hide, and cheat so as not to be compliant with this law. We're at a time when only 30 percent of administrators overseeing our educational institutions deem it important to follow a law, put in place by a Congress with oversight authority. To make matters worse, the Trump administration discovered \$6.5 billion in previously undisclosed foreign funds. Once again, "profit over patriotism," "profit over love of country," and "profit over the love of freedom."

Our adversaries—America's enemies—some guilty of the absolute worst of human rights abuses, do not pay billions of dollars to educational institutions because of some "pie in the sky" wish for humanitarian goodness. No. These dollars come with strings attached, which are then used as leverage against American faculty and students. Meanwhile, the American taxpayer is left supporting institutions that sacrifice our national values, our freedom, and our future for money.

For example, foreign funds are used to set up state-backed "cultural exchange centers" that operate as cultural indoctrination centers. China, for instance, donates money to American universities to fund Confucius Institutes – renowned campus hubs known for pushing propaganda like the denial of the Tiananmen Square massacre. These institutes also monitor and threaten Chinese international students here in the U.S. if they speak out against the CCP. Political pressure has caused many of these Institutes to close on paper, but in reality, they simply evolve and rebrand under a different name. These problematic relationships still pose a direct threat to students and academic freedom.

Moreover, foreign funding creates inroads for intellectual property theft. In this arena, again, China poses a serious threat. Around 80 percent of economic espionage crimes prosecuted by the Department of Justice are committed by Communist Chinese actors. The theft of trade secrets costs America an estimated \$600 billion

annually. How many American universities are inadvertently sponsoring CCP-backed espionage? There are 70 percent of college administrators who are non-compliant – opting not to be transparent to Congressional oversight. For far too long, educational institutions have reaped financial benefits while our enemies undermine our culture. Unfortunately, too many of these college administrators feel that they are above accountability and oversight. What else can we conclude other than there is a systemic sense of arrogance within these institutions? Once again, \$6.5 billion has been funneled in secrecy—“undisclosed” foreign funds—to 70 percent of American institutions of learning. For a regime that is anti-capitalist, the CCP seems to have made a remarkable return on their investment in our taxpayer funded colleges and universities.

It is time we take these foreign threats seriously, beginning with Chinese influence on American campuses. We should disentangle from China as Washington would have preferred, but that requires a serious executive.

The Biden administration doesn't seem to get it. Recently, Secretary Janet Yellen called decoupling from China “a big mistake.” National Security Advisor Jake Sullivan echoed her a week later. Biden's feckless Department of Education has yet to open even a single section 117 investigation.

The Department talks out of both sides of its mouth when scapegoating this issue. The Department blames Congress, saying they are overwhelmed and lack funding, yet the Department transferred the authority to investigate these violations from the well-equipped Office of General Counsel to the underwater FSA. The FSA is so ill-suited for enforcement that the online portal to report these violations was broken for months with no communication. We also have no indication the Department is conducting substantive reviews of any submitted disclosures. For those who are curious, what is the FSA (Federal Student Aid)? What do student loans have to do with CCP infiltrating, bribing our universities, and stealing our intellectual properties? Absolutely nothing. It's a total sham and the Department of Education thinks it can get away with it. Pure arrogance!

Rather than enforce the law, President Biden has cozied up to Beijing. Thanks to congressional oversight, we know the Penn Biden Center received tens of millions in anonymous Chinese funding and then paid the future President a handsome salary

of \$900,000. Moreover, we know the Penn Biden Center employed 10 future senior administration officials with salaries up to \$208,000. Does that have anything to do with his administration's unwillingness to enforce section 117?

It appears that the Biden administration has purposely chosen to turn a blind eye. I can promise you this Committee, with a Republican majority, will not. Freedom can only survive with transparency.

The next reporting deadline for section 117 disclosures is the end of this month. This administration has just under 20 days to ensure that America's colleges and universities—taxpayer funded institutions—are not hiding foreign donations from the public eye.

For the sake of our republic, and the millions of tax paying Americans, we look for full transparency from these institutions.

Ms. WILSON. Thank you. Thank you, Chairman Owens, and good morning. I want to express my gratitude to our witnesses for their testimonies this morning. I would also like to acknowledge Dr. Moss, my former educational advisor, and all of the students in attendance for today's hearing. Your dedication to promoting inclusivity and innovation in our education system inspires all of the members of this Committee, so welcome.

It is so important that this Committee recognizes that we are here to serve you, and to address your needs. We are the Education Committee. Global collaborations and Federal research investments are vital for the investment of our society. Through collaboration with global partners and strategic Federal investments in research, universities across the world have made bold, forward-thinking strides in health, science, and technology.

The benefits of global partnerships undoubtedly help drive intellectual and campus diversity while bolstering our economy. However, as the Federal Government provides roughly \$30 billion annually to colleges and universities to support research and development efforts, we must ensure that colleges and universities are transparent about their ties to foreign entities.

Section 117 of the Higher Education Act requires the Department of Education to collect and publicly disclose certain information about foreign gifts and contracts involving institutions of higher education. This crucial process aims to promote public transparency regarding the role of foreign funding on higher education, and safeguard government funded activities against undue, foreign influence.

Unfortunately, I fear that my Republican colleagues have over-emphasized enforcement, rather than providing guidance regarding Section 117. The lack of clear guidance hinders institutions' ability to comply with the law effectively. We should focus on streamlining the oversight mechanisms in place to ensure Section 117 compliance.

It should provide clear guidance for institutions to engage in international collaboration. Finally, it would be so careless if we

did not remind my Republican colleagues that asking for accountability and compliance in this hearing can occur without scapegoating our Asian American community.

When discussing foreign influence on campus it is imperative that we do not fuel prevailing anti-Asian sentiments. Congress, and this administration, have raised valid concerns regarding the Chinese Communist Party, and their agenda against the United States.

These worries should not be twisted into an excuse to push anti-Asian rhetoric, and we must safeguard our interest without adopting an extreme isolationist position. Thank you, and I yield back, Mr. Chair.

[The statement of Ranking Member Wilson follows:]



OPENING STATEMENT

House Committee on Education and the Workforce
Ranking Member Robert C. "Bobby" Scott

Opening Statement of Ranking Member Frederica Wilson (FL-24)
Subcommittee on Higher Education and Workforce Development
"Exposing the Dangers of the Influence of Foreign Adversaries on College Campuses"
2175 Rayburn House Office Building
Thursday, July 13, 2023 | 10:15 a.m.

Thank you, Thank you Chairman Owens, and good morning. I want to express my gratitude to our witnesses for their testimonies this morning.

I would also like to acknowledge Dr. Moss, my former educational advisor and all of the students in attendance for today's hearing. Your dedication to promoting inclusivity and innovation in our education system inspires all of the members of this Committee.

So welcome.

It is so important that this Committee recognizes that we are here to serve you and to address your needs.

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The lack of clear guidance hinders institutions' ability to comply with the law effectively.

We should focus on streamlining the oversight mechanisms in place to ensure Section 117 compliance. It should provide clear guidance for institutions to engage in international collaboration.

Finally, it would be so careless if I did not remind my Republican colleagues that asking for accountability and compliance in this hearing can occur without scapegoating our Asian-American community.

When discussing foreign influence on campus, it is imperative that we do not fuel prevailing anti-Asian sentiments.

Congress and this administration have raised valid concerns regarding the Chinese Communist Party and their agenda against the United States; these worries should not be twisted into an excuse to push anti-Asian rhetoric and we must safeguard our interests without adopting an extreme isolationist position.

Thank you and I yield back Mr. Chair.

Chairman OWENS. Thank you, Ms. Wilson. Pursuant to Committee Rule 8(c), all members who wish to insert written statements into the record may do so by submitting them to the Committee Clerk electronically by Microsoft Word format by 5 p.m., 14 days after the date of this hearing, which is July 27, 2023.

Without objection, the hearing record will remain open 14 days to allow such statements and other materials referenced during this hearing to be submitted for the official hearing record. I now turn to the introduction of our three distinguished witnesses.

The first witness is Mr. Paul Moore, who is a Senior Counsel for the Defense of Freedom Institute, which is located here in Washington, DC. Our second witness is John C. Yang, who is President and Executive Director of Asian Americans Advancing Justice, which is also located here in Washington, DC.

Our final witness is Craig Singleton, who is the China Program Public Deputy Director and Senior Fellow at the Foundation of Defense of Democracies, which again is here in Washington, DC. Thank you so much for you guys being here.

I want to thank the witnesses for being here today and look forward to your testimony. Pursuant to Committee rules, I would ask that you each limit your oral presentation to a 5-minute summary of your written statement. I would also like to remind the witnesses to be aware of their responsibility to provide accurate information to the Subcommittee. I want to first recognize Mr. Moore.

**STATEMENT OF PAUL MOORE, J.D., SENIOR COUNSEL,
DEFENSE OF FREEDOM INSTITUTE, WASHINGTON, D.C.**

Mr. MOORE. Good morning, Chairman Owens, Ranking Member Wilson, and members of the Committee. My name is Paul Moore. I am Senior Counsel of the Defense of Freedom Institute for Policy Studies, and I previously served as Chief Investigative Counsel for the U.S. Department of Education and as an Assistant U.S. Attorney and in other roles of the Department of Justice.

As Chief Investigative Counsel, much of my role involved investigating compliance by America's colleges and universities with Section 117, the statutory requirement that America's colleges and universities timely report qualifying foreign gifts and contracts to the Department.

Section 117 reporting requirements are not complicated or burdensome, they merely require the universities accurately and timely report those foreign gifts and contracts valued at \$250,000.00 or more to the Department twice a year. Unfortunately, the Depart-

ment's enforcement efforts have historically been very uneven. For example, in 2004, the Department began permitting institutions to provide donor anonymity when reporting foreign gifts and contracts.

This practice called anonymizing directly undermined congressional intent that foreign donor identities be revealed. This led to a dramatic increase in the flow of foreign money to higher education, beginning around 2009, particularly from China, Russia, Saudi Arabia, Qatar, and other countries.

Many of our great universities have since become addicted to that foreign money. In April 2011, the FBI issued a white paper warning that foreign adversaries seek to take advantage of America's higher education research enterprise to gain military and economic advantages over the United States.

In February 2019, the U.S. Senate Permanent Subcommittee on Investigations issued a bipartisan report warning that foreign government spending at U.S. schools is effectively a black hole because up to 70 percent of all colleges and universities were failing to report foreign gifts and contracts.

This began to change in November 2019, when at the Direction of Secretary Betsy DeVos, the Department's Office of the General Counsel initiated multiple civil investigations of non-compliance by some of America's leading universities. The Department found that Section 117 reporting had been generally under inclusive and inaccurate, and found that many colleges and universities even appeared to conceal foreign funding.

These compliance failures occurred despite those same colleges and universities having extremely sophisticated foreign financial tracking capabilities. In October 2020, the Department published a report revealing that its enforcement efforts had resulted in disclosure of more than 200, excuse me, 6.5 billion dollars in previously undisclosed foreign gifts and contracts. The report revealed that historically fewer than 300 of the approximately 6,000 U.S. higher educational institutions actually self-report foreign money each year as required by Section 117. The Department found that foreign adversaries are likely targeting specific institutions for their research and development technologies.

In April 2021 testimony before the Senate Select Committee on Intelligence, FBI Director Wray warned that China presents a severe threat to our academic institutions. Despite these clear threats and warnings, the Biden Administration's Section 117 enforcement efforts have taken a very different direction.

The Department now appears to have largely ceded control over its Section 117 enforcement policies to a higher education industry group known as the American Council on Education, or ACE, which has long objected to nearly any serious efforts by the Department to enforce Section 117.

This puts America's national security at risk. Since January 2021, reporting foreign gifts and contracts by universities has declined dramatically even as the threat to America has increased. In August 2022, ACE's Senior Vice President announced the Department's closure of its remaining Section 117 investigations, and that Section 117 management would be transferred back to Federal student aid.

Normally, such a significant announcement should have come from the Department, not higher education's chief lobbyist. FSA is unsuited to the Section 117 enforcement task, which may explain why the Department has chosen to shift Section 117 enforcement responsibilities to FSA.

Section 117 is a very simple, straightforward statutory disclosure requirement that the Department is required to enforce. To do so, it should immediately return enforcement responsibilities to the Office of the General Counsel. Congress should ban the practice of anonymizing donors and Section 117 disclosures.

Congress should tie Section 117 compliance by America's colleges and universities with their eligibility to participate in Title 4 Federal Student Loan Grant and Work Study Programs. Congress may wish to require that prominent college and university administrators certify under oath the accuracy and completeness of their Sections 117 disclosures to the Department.

The American people generously fund significant portions of the operations in most of our colleges and universities and deserve awareness enforcement efforts by the Department. Thank you for the opportunity to appear before you. I look forward to answering any questions you may have.

[The prepared statement of Mr. Moore follows:]

TESTIMONY OF PAUL R. MOORE

**FORMER CHIEF INVESTIGATIVE COUNSEL
U.S. DEPARTMENT OF EDUCATION**

**BEFORE THE HOUSE SUBCOMMITTEE ON HIGHER EDUCATION AND
WORKFORCE DEVELOPMENT**

July 13, 2023

“Exposing the Dangers of the Influence of Foreign Adversaries on College Campuses”

Good morning Chairman Owens, Ranking Member Wilson, and members of the Committee. I am Paul Moore, Senior Counsel for the Defense of Freedom Institute for Policy Studies. I previously served as Chief Investigative Counsel for the U.S. Department of Education and, before that, I served for several years as an Assistant U.S. Attorney and in other roles at the U.S. Department of Justice.

Section 117’s Simple Disclosure Requirements

As Chief Investigative Counsel, much of my role involved investigating compliance by America’s colleges and universities with what is commonly referred to as “Section 117” – the statutory requirement that America’s colleges and universities, if they receive any federal funding, timely report qualifying foreign gifts and contracts to the Department of Education.¹

The reports are to occur twice a year and are to disclose any foreign gifts and contracts, for which the value – including the combined value – is \$250,000 or more in a year.

Section 117 reporting requirements are neither complicated nor burdensome. Section 117 does not bar or limit the amount of foreign gifts and contracts that our colleges and universities may accept. It merely requires that universities accurately and timely report those foreign gifts and contracts to the Department of Education twice a year.

The Department’s role is to enforce Section 117’s statutory disclosure requirements. With that information in hand, the American people and policy makers are equipped to protect against the potentially distorting influence of foreign money, including its threat to our national security.

Section 117 Enforcement Failures

Unfortunately, the Department’s enforcement efforts have, historically, been uneven at best.

¹ 20 U.S.C. 1011f (“Disclosure of Foreign Gifts”).

For example, in 2004, the Department began permitting colleges and universities to provide donor anonymity when reporting foreign gifts and contracts under Section 117. This practice, called “anonymizing,” directly undermined congressional intent that foreign donor identities be revealed.

This green light to friend and foe alike resulted in a dramatic increase in the flow of foreign money to higher education, beginning around 2009, particularly from China, Russia, Saudi Arabia, Qatar, and other countries.

Academia as a Soft Target

In 2011, the FBI issued white paper entitled “Higher Education and National Security: The Targeting of Sensitive, Proprietary, and Classified Information on Campuses of Higher Education.”² It warned that foreign adversaries and competitors seek to take advantage of the American higher education and research enterprise to improve their economies and militaries by stealing intellectual property to gain advantages over the U.S.

In February 2019, U.S. Senate Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs issued a bipartisan report entitled “China’s Impact on the U.S. Education System.”³

That bipartisan Senate Report found that:

- *Foreign government spending at U.S. schools is “effectively a black hole” because up to 70% of all U.S. colleges and universities were failing to report foreign gifts and contracts as required by Sec. 117;*
- *Because U.S. colleges and universities routinely fail to report foreign gifts and contracts, the American people lack an accurate and complete picture of foreign influence, including from the Chinese govt;*
- *Academic freedom at U.S. colleges and universities may be compromised by undisclosed foreign gifts and contracts.*

² “Higher Education and National Security: The Targeting of Sensitive, Proprietary and Classified Information on Campuses of Higher Education,” Federal Bureau of Investigation (Apr. 2011), available at <https://www.fbi.gov/file-repository/higher-education-national-security.pdf/view>.

³ “China’s Impact on the U.S. Education System,” U.S. Senate Permanent Subcommittee on Investigations (Feb. 2019), available at <https://www.govinfo.gov/content/pkg/CHRG-116shrg36158/html/CHRG-116shrg36158.htm>.

The Senate Report found that China’s “soft power” operations deliberately encourage American “complacency towards China’s pervasive, long-term initiatives against critics in China and businesses and academic institutions abroad.”

2019: The Department’s Response

At the direction of Secretary Betsy DeVos, in November 2019 the Department’s Office of the General Counsel (“OGC”) initiated multiple civil investigations of non-compliance by some of America’s leading universities.

The Department’s general initial findings included that Section 117 “reporting ha[d] been generally underinclusive and inaccurate” and that, shockingly, many colleges and universities even appeared to conceal foreign funding “through financially opaque captive foundations, foreign campuses, and other structures to generate revenue, including from foreign sources.”⁴

These compliance failures occurred despite those same colleges and universities often having extremely sophisticated foreign financial tracking capabilities for soliciting, managing, and tracking contributions, grants, and contracts over time and from many thousands of sources, foreign and domestic.

Our investigations revealed that despite their sophisticated financial tracking systems, colleges and universities had largely chosen not to “deploy[] similar systems with respect to Sec. 117 reporting.”

Widespread Compliance Failures: The Department’s Institutional Compliance Report

Informed by the results of its intensive civil investigations, in October 2020, the Department published a report entitled “Institutional Compliance with Section 117 of the Higher Education Act of 1965” (“Compliance Report”).⁵

The Report revealed that the Department’s enhanced enforcement efforts, including the opening of its civil investigations, had produced dramatic results: disclosure of more than \$6.5 billion in previously undisclosed foreign gifts and contributions (\$3.8 billion of which foreign gifts were reported by IHEs via the Department’s new reporting portal between June and October 2020 [created under the direction of OGC]).⁶

The Report also found that since June 2020, approximately \$350 million in foreign gifts and contracts were disclosed to the Department by colleges and universities that had no prior history

⁴ See <https://www2.ed.gov/policy/highered/leg/psi-nov27-2019.pdf>.

⁵ “Institutional Compliance with Section 117 of the Higher Education Act of 1965,” U.S. Department of Education, Office of the General Counsel (Oct. 2020), available at <https://www2.ed.gov/policy/highered/leg/institutional-compliance-section-117.pdf> (Compliance Report).

⁶ *Id.* at 1.

of submitting Sec. 117 transactions – indicating a tremendous *increase* in compliance following the Department’s enforcement efforts.⁷

The Department noted that “[h]istorically, fewer than 300 of the approximately 6,000 U.S. institutions self-report foreign money each year” and that the “risk to academic freedom, integrity, and independence posed [by] such contributions has been historically ignored by regulators and overlooked or downplayed by the beneficiaries of foreign largess.”⁸

China’s Undisclosed Access to Academia

The Department’s investigations also revealed that the “Chinese Communist Party sends students ‘under the guise of international scientific collaboration to systematically target critical technologies to advance China’s national security interests’[]” and that it “also lures international scholars to advance its causes through the Thousand Talents Program designed to attract foreign scholarship by providing them research funding, salaries, and laboratory space, among other perks.”⁹

The Department’s findings regarding the vulnerability of research and development technologies at colleges and universities were alarming, noting that “foreign adversaries are likely targeting specific institutions for their [research and development] and technologies.”¹⁰

The Department noted that “robust enforcement” of Section 117’s disclosure requirements are “*essential because hostile governments and their instrumentalities have targeted the higher education sector for exploitation to infiltrate cutting-edge American research projects, influence curricula, and gain access to systems and information...*”¹¹

The Department cautioned that “America’s adversaries have long exploited the openness of American society, our deeply held belief in free inquiry and academic freedom, and the misjudgments of some higher education industry leaders to advance their institutional interests at the risk to American security.”¹²

One example of the success of the Department’s enhanced Section 117 enforcement efforts involved the University of Pennsylvania, which – like many other universities - was required to disclose its reportable foreign gifts and contracts. UPenn reported a stunning increase in its receipt of reportable foreign gifts and contracts – up 389% between 2018 and 2019 alone,¹³ although it

⁷ *Id.*

⁸ *Id.* at 7.

⁹ *Id.* at 11.

¹⁰ *Id.* at 27.

¹¹ *Id.* at 7 (emphasis added).

¹² *Id.* at 11.

¹³ On Feb. 1, 2017, the University of Pennsylvania announced the formation of the “Penn Biden Center for Diplomacy & Global Engagement (“Biden Center”), which subsequently opened a Washington, D.C. office in June 2018. See “Vice President Joe Biden to lead the Penn Biden Center for Diplomacy and Global Engagement,” *Penn Today* (Feb. 1, 2017),

failed to identify the donors for approximately \$27.1 million of those gifts and contracts.¹⁴ Foreign source gifts and contracts to UPenn amounted to at least \$258 million during the same period.¹⁵

This is only one of many of examples of proper Sec. 117 enforcement by the Department leading to transparency regarding foreign involvement in higher education for the consideration of the American people and policy makers.

FBI Director Wray's Warnings on China's Growing Threat to American Universities

In April 2021 testimony before the Senate Select Committee on Intelligence, after noting that the FBI opens a new investigation linked to China's government "every 10 hours" and has more than 2,000 ongoing investigations related to China, FBI Director Wray warned that:

I don't think there is any country that presents a more severe threat to our innovation, our economic security and our democratic ideas. And the tools in their toolbox to influence our businesses, *our academic institutions*, our governments at all levels are deep and wide and persistent.¹⁶

Dir. Wray spoke in further detail about the ominous foreign threat again in January 2022:

Much of the battleground we're [the FBI] contesting lies outside government's control: companies whose technology we're helping protect, *universities whose students and research we're helping protect*, local governments we're warning about foreign threats. None of them are equipped to deal with a threat this complex alone...¹⁷

In the face of these ongoing threats to our national security by China and other adversaries, the Department's enforcement of Section 117's reporting requirements are, perhaps, more critical than ever. Unfortunately, the Biden Administration's Section 117 enforcement efforts have taken a very different direction.

<https://penntoday.upenn.edu/spotlights/vice-president-joe-biden-lead-penn-biden-center-diplomacy-and-global-engagement>.

¹⁴ "Penn received 389% more foreign donations in 2019 than in 2018, DP analysis finds," THE DAILY PENNSYLVANIAN (Apr. 20, 2021), <https://www.thedp.com/article/2021/04/foreign-donations-penn-analysis-china>.

¹⁵ Catherine Dunn, "Penn got \$258 million in foreign money, and there may be more it hasn't disclosed," THE PHILADELPHIA INQUIRER (Feb. 24, 2020), <https://www.inquirer.com/business/university-pennsylvania-foreign-donations-china-saudi-arabia-20200224.html>.

¹⁶ See <https://www.intelligence.senate.gov/hearings/open-hearing-worldwide-threats-1>; see also Patrick Tucker, "FBI Opens a Case on Chinese Activity 'Every 10 Hours,' Intel Chiefs Say," DEFENSE ONE (Apr. 14, 2021), <https://www.defenseone.com/threats/2021/04/fbi-opens-case-chinese-activity-every-10-hours-intel-chiefs-say/173376/> (emphasis added).

¹⁷ See <https://www.fbi.gov/news/speeches/countering-threats-posed-by-the-chinese-government-inside-the-us-wray-013122> (emphasis added).

The Department's Section 117 Enforcement Retreat under Secretary Cardona

In the face of this perilous and growing threat and despite the FBI's clear warnings, the Department now appears to have largely ceded control over its Section 117 enforcement policies to a higher education industry group known as the American Council on Education – or ACE - which has long objected to nearly any efforts by the Department to enforce Section 117's simple reporting requirements.

On November 18, 2020, in a letter to President-elect Biden, ACE instructed the incoming administration act “quickly” to “[h]alt the expanded reporting requirements, including the new Information Collection Request (ICR) and Notice of Interpretation (NOI) on Section 117 imposed by the Department of Education in its effort to expand those reporting requirements...”¹⁸

On Dec. 14, 2020, in a fourteen-page letter to OGC, ACE complained bitterly of the Department's civil investigations and related enforcement efforts and informed it of its preferred return to reduced compliance enforcement efforts that would be far less burdensome to colleges and universities, notwithstanding Section 117's simple requirements.¹⁹

Following ACE's November and December 2020 post-election demands, the Department's enforcement of Sec. 117's disclosure requirements appeared to weaken,²⁰ with IHEs reporting barely more than \$4 million in foreign gifts and contracts during the first reporting period of 2021 – compared with over \$1.5 billion during the previous reporting period (July 2020-January 2021).²¹

In August 2022, the Department left it to ACE's Senior Vice President to announce *to the Department* the Department's cessation of its then-outstanding Section 117 investigations (to his member IHEs, including those under investigation) and that “Section 117 management will be transferred back to Federal Student Aid (“FSA”).”²² The Department's official Notice regarding moving enforcement responsibilities to FSA did not occur for another four months, on December 27, 2022.²³

FSA is clearly unsuited to the Section 117 enforcement task. FSA is no better able to lead the Department's Section 117 enforcement efforts than OGC is to administer student loans, grants,

¹⁸ Letter to Joe Biden, President-Elect and Kamala Harris, Vice President-Elect, from the American Council on Education (ACE), <https://www.acenet.edu/Documents/Letter-Biden-Administration-Regulatory-Actions-111820.pdf>.

¹⁹ See <https://www.acenet.edu/Documents/Comments-memo-ED-Section-117-121420.pdf>.

²⁰ Audrey Conklin, “US Colleges report fewer foreign gifts after Biden takes office, sparking concern from Rep. Gallagher,” *Fox News* (Nov. 5, 2021), <https://sites.ed.gov/foreigngifts/>.

²¹ See <https://sites.ed.gov/foreigngifts/>.

²² See <https://www.cogr.edu/sites/default/files/081622%20FINAL%20August%202022%20ED%20letter%20on%20117%20follow%20up.pdf>.

²³ 87 Fed. Reg. 247 (Dec. 27, 2022).

and work-study programs – which, I believe, explains why the Department has chosen to shift Section 117 enforcement responsibilities to FSA.

Only through careful examination of tax records, contracts, and other financial documents by OGC attorneys did the Department successfully force exponential increases in Section 117 compliance. The Department was wrong to transfer these important responsibilities to an agency component so utterly lacking in Section 117 expertise and enforcement capabilities.

Conclusion and Recommendations

As noted by Dir. Wray and determined by the Department's own well-publicized findings, our adversaries – particularly China – are engaged in the targeting of American colleges and universities to access critical research and development products in development at our research institutions.

Section 117 is a very simple, straightforward statutory disclosure requirement that the Department must enforce.

The Department should immediately return enforcement obligations fully to the Office of the General Counsel and should clearly prohibit the practice of anonymizing donor information in Section 117 reports.

Congress should clearly ban the practice of anonymizing donors. The purpose of Section 117 is to disclose the qualifying foreign gifts and contracts. Only by knowing the identity of the foreign donor can the American people and government officials be sufficiently informed to address any commensurate threat to our national security or academic freedom. The Department's current guidance and regulations should make the unacceptability of this practice clear, pending action by Congress.

Congress should tie Section 117 compliance by America's colleges and universities with the eligibility of those colleges and universities to participate in Title IV federal student loan, grant, and work-study programs. The Department should be required to suspend a university's eligibility to participate in those taxpayer-funded student financial aid programs if a university fails to timely and accurately provide its Section 117 disclosures to the Department.

Congress may wish to require that prominent college and university officials certify under penalty of perjury to the accuracy and completeness of their Section 117 disclosures to the Department. If, between 2010 and 2019, a president or other high-ranking administrative officer at Yale, Stanford, Case Western Reserve, or any other university had been required to certify his or her belief in the accuracy and completeness of his or her university's Section 117 disclosures to the Department, those disclosures would likely have been far more reliable.

The American people, who generously fund significant portions of the operations of most of our colleges and universities, deserve earnest enforcement efforts by the Department.

The threat to America's national security interests is very real and growing. The Department's apparent decision to de-emphasize its Section 117 enforcement obligations is very troubling and is an inexplicable green light to our adversaries to resume efforts to access to America's critical research product at our colleges and universities, in defiance of the national security interests of the American people.

Thank you for the opportunity to appear before this Committee. I look forward to answering any questions you may have.

Chairman OWENS. Thank you, Mr. Moore. I would like to next recognize Mr. Yang.

STATEMENT OF MR. JOHN C. YANG, PRESIDENT AND EXECUTIVE DIRECTOR, ASIAN AMERICANS ADVANCING JUSTICE, WASHINGTON, D.C.

Mr. YANG. Thank you, Chairman Owens, Ranking Member Wilson, and the other members of this Committee. My name is John C. Yang. I am the President and Executive Director of Asian Americans Advancing Justice, AAJC, based in Washington, DC. I previously served in the Department of Commerce, as well as Shanghai-based legal director for the American company of Illinois Tool Works.

Look, the American university system is the enemy of the world, and the United States has benefited from the talent that has come to the United States. Many of the most significant, scientific advances have come from immigrants such as Enrico Fermi, and such as Albert Einstein.

Let us also remember that many of the scientists and students that we are talking about today chose to come here because of the Democratic ideals that we represent, and because they prefer our system of government rather than Communist and autocratic systems. We should be embracing that community, learning from this community, and celebrating that they chose to be here, and to contribute to our American democracy.

Unfortunately, xenophobic and anti-immigrant and racist rhetoric used by policymakers and officials at the highest level of our government fueled resurgent xenophobia against immigrants, especially of Chinese and Asian descent.

One need not look further than the recent attacks against Congresswoman Judy Chu, whose loyalty to the United States was questioned simply because of her race and ethnicity. Public and government officials must be cautious of engaging in anti-Chinese rhetoric and must challenge colleagues and peers who do so. The cost of the Asian American community is clear.

Surveys by Pew and the Asian American Foundation demonstrate that one in two Asian Americans no longer feel safe because of their race and ethnicity, and shockingly, one in four Americans believe that Asian Americans are somehow more loyal to their country ethnicity rather than the United States. That narrative has to change.

There is currently a widespread suspicion of scientists, university researchers and students who are Chinese or of Asian descent. Then President Trump in 2018 wildly and irresponsibly stated that "Almost every student that comes over to this country from China is a spy."

As another example, the now abandoned China initiative created a mandate and increased pressure on the FBI to scrutinize and target Asian Americans and Asian immigrants in the research community, based seemingly only on their ethnicity, rather than criminal activity. Indeed, FBI Director Wray suggested that there should be a case opened at every single U.S. Attorney's district on the China initiative.

This led to the prosecution of many Asian Americans and immigrants for conduct that is minor, unrelated to espionage, and typically would not support criminal prosecution. Several cases over the last 2 years demonstrate that this approach was flawed, leading to dismissals and acquittals in cases like Gang Chen, Anming Hu, and Franklin Tao.

Fortunately, the administration looked at this initiative, recognized that it is wrong headed, and decided to abandon that approach. These entailments and investigations have led to the dismissal, resignation and termination of Asian American scientists, as well as a growing fear among Asian Americans and Asian immigrants of being targeted and scapegoated based on their race, ethnicity and national origin.

Look, to be clear we do have legitimate differences with the Chinese government and the Xi Jinping regime presents a unique national security challenge. If we are not careful, and we do not use the proper language and engage in the proper nuance about these policies and actions, there are communities that will suffer.

I am not theorizing about this here. We saw the incarceration of Americans of Japanese descent based on fictionalized evidence of espionage. We saw the murder of Sikh Americans, and hate crimes against the Arab, Middle East, and Muslim and South Asian American community after 9/11. We saw the murder of Vincent Chin because of a trade war with Japan that we had in the early 1980's.

Look, these are legitimate disputes that we had with these foreign nations, and in each of these cases our domestic community, our Americans suffered. When approaching these issues we need to use a scalpel, not a sledgehammer. We need to approach these issues with facts, precision, and expertise, so that we can be effective and efficient with our solutions.

We need to define our terms carefully to avoid overreach, and to allow universities, professors, and students to understand their obligations and to comply. We need to train investigators to avoid misunderstandings, stereotyping and overreach. Universities have been perfect places to facilitate effective, long-standing, meaningful intellectual exchanges.

Those exchanges bring so many different benefits that are critical to helping individuals understand each other, their culture and their shared humanity. Open research and collaboration is critical to addressing some of our world's most difficult problems, such as climate change and technology.

I ask that all of us avoid Jingoism to avoid stereotyping. Let us engage in a thoughtful, specific discussion necessary to celebrate the strength of the American education system, while recognizing the challenges that we face. Thank you very much.

[The prepared statement of Mr. Yang follows:]

**Testimony of
John C. Yang
President and Executive Director
Asian Americans Advancing Justice – AAJC**

For

**Hearing on
“Exposing the Dangers of the Influence of Foreign Adversaries on College Campuses”**

**U.S. House of Representatives
Committee on Education & the Workforce
July 13, 2023**

Asian American Advancing Justice | AAJC (“Advancing Justice | AAJC”) submits this written testimony to the House Committee on Education & the Workforce in conjunction with its hearing on “Exposing the Dangers of the Influence of Foreign Adversaries on College Campuses.”

Advancing Justice | AAJC is a national non-profit organization founded in 1991 dedicated to advancing civil and human rights for Asian Americans, and to promoting a fair and equitable society for all. We strive to empower Asian American and Pacific Islander communities across the country by bringing local and national constituencies together and advocating for federal policy that reflects the needs of Asian Americans. Advancing Justice | AAJC is the leading national advocate for immigration and anti-racial profiling policy on behalf of the Asian American community, and in this capacity, we work to address the racial profiling and discriminatory targeting of Asian Americans and immigrants.

We work closely with our Community Partners Network, a national collaboration of nearly 250 AAPI-serving community-based organizations (CBOs) in 37 states and the District of Columbia to increase regional and local capacity to elevate community voices nationwide.

As a founding member of the Asian Americans Advancing Justice (Advancing Justice) national affiliation, we partner with our affiliates — Advancing Justice | Asian Law Caucus, Advancing Justice | Atlanta, Advancing Justice | Chicago, and Advancing Justice | Los Angeles — to extend the reach of our programming and enhance the impact of our collective work. Advancing Justice | AAJC also serves as a co-chair for the National Council for Asian Pacific Americans, a coalition of 37 Asian American Pacific Islander national advocacy organizations. We are also a member of the Board of Directors of the Leadership Conference on Civil and Human Rights, comprised of over 200 national organizations working together to promote and protect the civil and human rights of all Americans.

The American university system has been the envy of the world, and the United States has benefitted from the talent that has come to the United States. Many of the most significant advances in U.S. science has come through the expertise of immigrants such as Albert Einstein

and Enrico Fermi. These scientists were not treated as spies even though they came from dictatorial regimes.

Unfortunately, there is currently a widespread suspicion of scientists and university researchers who are of Chinese or Asian descent. Most recently, the Trump administration's now defunct "China Initiative" created a mandate and increased pressure on the FBI to scrutinize and target Asian Americans and Asian immigrants based on their ethnicity rather than criminal activity. This led to the prosecution of many Asian Americans and immigrants for conduct that is minor, unrelated to espionage, and would not be subject to prosecution if the defendants were not people of Asian descent. Additionally, the FBI has collaborated with and at times pressured academic institutions and grantmaking agencies resulting in the criminalization of scientists, researchers, and scholars of Asian descent across the country. These entanglements and investigations have led to the dismissal, resignation and termination of Asian scientists as well as a growing fear among Asian Americans and Asian immigrants of being targeted and scapegoated based on their race, ethnicity, and national origin.

Xenophobic, anti-immigrant, and racist rhetoric used by lawmakers and officials at the highest level of government fueled this resurgent xenophobia against immigrants and those of Asian descent.¹ One need not look further than the recent attacks against Congresswomen Judy Chu, whose loyalty to the U.S. was questioned simply because of her race and ethnicity. Former President Trump and other elected officials blamed China for COVID-19, and called it the "Chinese virus," "Wuhan virus," "kung flu," and "China plague." Public health experts have advised that language that stigmatizes communities must not be used.² Public and government officials must be cautious of engaging in anti-China rhetoric and must challenge colleagues and peers who do so. The cost to the Asian American community is clear. A Pew Report published in July 2020 revealed similar findings, with a majority of Asian adults (58%) saying it is more common for people to express racist or racially insensitive views about people who are Asian than it was before the COVID-19 outbreak.³

President Biden has made it clear that combating racism, xenophobia, and intolerance against Asian Americans will be an important priority for the administration. President Biden's executive actions disavowed discrimination against the AAPI community, including signing a Presidential Memorandum to condemn and combat racism, xenophobia, and intolerance against Asian Americans and Pacific Islander in the United States on January 26, 2021. We are pleased with President Biden's recommitment to these efforts in his recent announcement on actions to respond to anti-Asian violence, xenophobia and bias on March 30, 2021. We urge federal agencies to follow President Biden's commitment to combat racism and xenophobia against those of Asian descent and look forward to these efforts.

¹ The Advancing Justice affiliation launched the Stand Against Hatred website in January 2017 in response to the increase in hate incidents against Asian Americans connected to this anti-Asian, anti-immigrant, and racist rhetoric from former President Trump's presidential campaign in the 2016 election cycle.

² "WHO issues best practices for naming new human infectious diseases," World Health Organization (May 8, 2015), WHO issues best practices for naming new human infectious diseases.

³ Pew Research Center, "Many Black and Asian Americans Say They Have Experienced Discrimination Amid the COVID19 Outbreak," (July 1, 2020), <https://www.pewresearch.org/social-trends/2020/07/01/many-black-and-asian-americans-say-they-have-experienced-discrimination-amid-the-covid-19-outbreak/>

While AAJC is not naive to the Chinese Communist Party's (CCP) ongoing efforts to engage in economic espionage and intellectual property theft, we are deeply concerned about the federal government's investigations and prosecutions of Asian Americans and Asian immigrants, harming the lives of not just individuals, their families, and communities, but eroding the health of our democracy. Biased public statements by public officials combined with data and individual cases indicating that there have been unjust arrests and prosecutions of Asian Americans have raised red flags for us that federal agencies are engaged in biased investigations and policing.

Clearly, the federal government's approach thus far when it comes to effectively combatting malign foreign influence in our academic institutions has been more like a 'sledgehammer' rather than a 'scalpel'—to the detriment of the Asian American and Asian immigrant community. It is critical that this approach be narrowed and tailored, in coordination with the Asian American community, so that innocent individuals of Asian descent are not unjustly targeted in an over-broad effort to combat a legitimate threat. Between the creation of the House Select Committee on the CCP, lawmakers' increased focus on U.S.-China strategic competition, and escalating rhetoric that pits the U.S. against China in a zero-sum duel for international supremacy, we must take on the collective burden of framing these conversations in a responsible manner that does not invite discriminatory blowback on the Asian American community.

The Government Has Heavily Scrutinized and Racially Targeted Asian Americans and Asian Immigrants Particularly Through the Now-Defunct “China Initiative”

The Government has been heavily scrutinizing and racially targeting Asian American and Asian immigrant scientists and researchers particularly with the “China Initiative.” Although the U.S. Department of Justice (“DOJ”) presented it as a national security measure meant to combat economic espionage by the Chinese government, the “China Initiative” instilled fear within the Asian American and Asian immigrant community as an initiative that used national security as a pretext to the racial profiling and targeting of Asian American and Asian immigrants, particularly those of Chinese descent. In its quest to protect national security, the Government casted a wider-than-necessary net and used overly simplistic measures that were susceptible to abuse by law enforcement to the detriment of people of Chinese origin—citizens and immigrants alike.

The current social and political environment has created fear among our communities as rhetoric from public leaders encourages bias and fosters hate against Asian Americans and immigrants. The racist attacks against Judy Chu followed in the footsteps of statements made by former President Trump himself, who referred to the coronavirus as “‘kung flu,’ eliciting laughter and wild cheers” at rallies in Oklahoma and Arizona in late June 2020.⁴ In yet another example, former President Trump, at a private event in 2018, “noted of an unnamed country that the attendee said was clearly China, ‘almost every student that comes over to this country is a spy.’”⁵ Senator Tom Cotton made similar remarks in 2020, stating broadly that Chinese students come to the U.S. “to compete for

⁴ Colby Itkowitz, Trump Again Uses Racially Insensitive Term to Describe Coronavirus, WASH. POST (June 23, 2020), https://www.washingtonpost.com/politics/trump-again-uses-kung-flu-to-describe-coronavirus/2020/06/23/0ab5a8d8-b5a9-11ea-aca5-ebb63d27e1ff_story.html.

⁵ Annie Kami <https://www.politico.com/story/2018/08/08/trump-executive-dinner-bedminster-china-766609>.

our jobs, take our business, and ultimately steal our property.”⁶ Finally, in an interview last year with Fox News, Secretary of State Michael Pompeo also made the following sweeping, dangerous statement: “[S]tudents that come here who have connections deeply to the Chinese state, they shouldn’t be here in our schools spying.”⁷ This rhetoric has alarmed academic institutions and raised concerns within the Asian American community. This rhetoric has translated into racially biased policies and government efforts such as the “China Initiative,” which create widespread fear among Asian American and immigrant scientists and promote bigotry against the greater Asian American community.

This is not a new phenomenon. For more than a decade, the Government has prosecuted people of Chinese and Asian descent at a disproportionate rate under the Economic Espionage Act of 1996 (“EEA”).⁸ Although the EEA was intended to address economic espionage from all foreign governments following the Cold War, it has increasingly been used to prosecute those of Chinese or Asian descent. Between 1996 and 2009, 17% of the defendants charged under the EEA’s provisions were of Chinese descent.⁹ Since 2009, that percentage has more than tripled, jumping to 52%.¹⁰ Moreover, Asian Americans and immigrants are overall more likely than any other racial group to be charged under the EEA, making up 62% of EEA defendants charged since 2009. For individuals of Asian descent who were prosecuted, the rate at which they were “acquitted at trial, pled guilty only to ‘false statements’ and released on probation, or, most often, had all charges dropped against them” was twice as high as individuals of any other race. Moreover, the updated report revealed that defendants with Asian names were more than twice as likely to be falsely accused of espionage, and defendants of Asian descent, including Chinese and South Asian descent were punished twice as severely as defendants of other races.¹¹ C-100’s survey in collaboration with the University of Arizona also revealed a widespread chilling effect among those of Asian descent within the academic community.¹² According to a Law 360 study, “[t]he China Initiative has increasingly targeted academics, but the overwhelming majority of them [are] accused of failing to disclose ties to Chinese institutions, not economic espionage.” The report found that “the prosecutors have not fared well with many defendants accusing investigators of engaging in misconduct to bolster what they are saying are weak cases.”¹³

In November 2018, Former U.S. Attorney General Jeff Sessions launched the “China Initiative” to counter the threat of economic espionage and trade secrets theft conducted by or for the benefit of

⁶ Ros Krasny, GOP Senator Says Don’t Let Chinese Students Study STEM in U.S., BLOOMBERG (Apr. 26, 2020), <https://www.bloomberg.com/news/articles/2020-04-26/gop-senator-says-don-t-let-chinese-students-study-stem-in-us>.

⁷ Secretary Michael R. Pompeo with Laura Ingraham of Fox News, U.S. DEP’T OF STATE (May 28, 2020), <https://www.state.gov/secretary-michael-r-pompeo-with-laura-ingraham-of-fox-news-2/>.

⁸ See Andrew Chongseh Kim, Prosecuting g Chinese “Spies”: An Empirical Analysis of the Economic Espionage Act, 40 *Cardozo L. Rev.* 749, 763 (2018).

⁹ *Id.* at 753.

¹⁰ *Id.*

¹¹ See Andrew Chongseh Kim, *Racial Disparities in Economic Espionage Act Prosecutions: A Window Into the New Red Scare*, C-100 (2021), [Whitepaper-Final-9-21-UPDATE-compressed.pdf](https://www.c100.org/whitepaper-final-9-21-update-compressed.pdf) (committee100.org).

¹² Jenny J. Lee, Xiaojie Lee & C-100 Staff, Racial Profiling Among Scientists of Chinese Descent and Consequences for the U.S. Scientific Community, C-100 & UNIVERSITY OF ARIZONA (2021), [C100-Lee-Li-White-Paper-FINAL-FINAL-10.28.pdf](https://www.c100.org/white-paper-final-final-10-28.pdf) (committee100.org).

¹³ See Jack Queen, “Overheated”: How A Chinese-Spy Hunt At DOJ Went Too Far, *Law 360* (Sep 2018), <https://www.law360.com/legalethics/articles/1425776/-overheated-how-a-chinese-spy-hunt-at-dojwent-too-far>.

the “communist regime in China.”¹⁴ The White House mandate put great pressure on the FBI to scrutinize and target Asian Americans and Asian immigrants particularly of Chinese descent based on their ethnicity rather than on suspicion of criminal activity. For example, in 2020 John Demers, the Justice Department’s Assistant Attorney General for National Security stated that the DOJ wanted each of the country’s 94 U.S. Attorney’s districts to bring cases of Chinese espionage or economic theft, without any apparent reason to believe that such crimes were being committed in every district in the country.¹⁵ In practice, however, many of the investigations and prosecutions under this initiative were not based upon evidence of economic espionage and do not target individuals acting at the direction of or on behalf of the PRC government or Chinese Communist Party. Instead, these investigations targeted people working in science with any “nexus to China,”¹⁶ invoking implicit and exacerbating implicit bias, and sometimes explicit bias against Asian Americans and immigrants. When the government failed to find evidence of economic espionage, it then opted to charge people for lesser offenses such as making false statements during the course of the investigation.

Federal prosecutors also charged many Asian Americans and Asian immigrants with federal crimes based on administrative errors or minor offenses such as failing to fully disclose conflict of interest information to their universities or research institutions and other activities that are not normally treated as crimes except under the pretext of combating economic espionage. As of June 4, 2021, the DOJ’s own press releases about the “China Initiative” show that almost 90% of the defendants are of Asian descent, and that a significant percentage of these cases include no charges of economic espionage, trade secrets or what we have identified as espionage-related crimes.¹⁷ The rest of the prosecutions were for ancillary matters or minor crimes, such as making false statements, and “lying” on university conflicts of interest forms. Still many others were investigated by the FBI or NIH and not prosecuted yet faced employment consequences such as terminations.¹⁸ The DOJ’s strategy is ineffective against combatting security threats, but also extremely harmful to the Asian American community.¹⁹ It has also damaged American leadership in science and international collaboration on basic research.

The Biden administration wisely ended the China Initiative in February 2022 in response to concerns expressed by the Asian American community regarding the ineffectiveness of the Initiative and the collateral damage that it caused to the Asian American community. Specifically, the Department of Justice stated that the Initiative “can lead to a chilling atmosphere for scientists and scholars that damages the scientific enterprise in this country.” He also recognized that the United States must “continue to attract the best and

¹⁴ Attorney General Jeff Sessions Announces New Initiative to Combat Chinese Economic Espionage, U.S. DEP’T OF JUSTICE (Nov. 1, 2018), <https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-announces-new-initiative-combat-chinese-economic-espionage>.

¹⁵ Betsy Woodruff Swan, Inside DOJ’s Nationwide Effort to Take on China, POLITICO (Apr. 7, 2020), <https://www.politico.com/news/2020/04/07/justice-department-china-espionage-169653>.

¹⁶ Racial Disparities in Economic Espionage Investigations, Committee of 100 Report, Sept. 21, 2021, <https://www.committee100.org/wp-content/uploads/2021/09/Whitepaper-Final-9.21-UPDATE-compressed.pdf>

¹⁷ See Information About the Department of Justice’s China Initiative and a Compilation of China-Related Prosecutions Since 2018, U.S. DEP’T OF JUSTICE (Nov. 12, 2020), <https://www.justice.gov/opa/information-about-department-justice-s-china-initiative-and-compilation-china-related>.

¹⁸ *Id.*

¹⁹ *Id.*

the brightest researchers and scholars to our country from all around the world — and that we all continue to honor our tradition of academic openness and collaboration.”²⁰

Racially Biased Prosecutions Particularly Under the DOJ’s “China Initiative” & the Criminalization of Asian Americans and Asian Immigrants Causes Harm & Chilling Effect on Asian American and Asian Immigrant Communities

Advancing Justice | AAJC observed that the DOJ’s overreach with respect to the “China Initiative” lead to the mass criminalization of Asian Americans and Asian immigrants. As a consequence of the White House’s mandate through the “China Initiative,” the FBI and federal agencies had placed great pressure on grant makers, universities, and research institutions leading to discriminatory and stigmatizing investigations of Asian Americans and Asian immigrants. The FBI has focused on federal grant agencies and academic institutions to target scientists and researchers of Asian descent by conducting threat awareness sessions and circulating information on the threat of China and these so-called non-traditional collectors.²¹ As a result, they have injected racial bias into these institutions, discouraged collaboration, criminalized connections to China, and encouraged these entities to view researchers and scientists of Asian descent differently than their colleagues because of race.²²

Despite the ongoing issues of implicit bias, discrimination, and race & ethnicity-based profiling, the U.S. government continues prosecutions efforts that cause immense harm to Asian Americans and Asian immigrants. American citizens such as Wen Ho Lee, Guoqing Cao, Shuyu Li, Sherry Chen, and Xiaoxing Xi have already suffered harm from these unwarranted investigations and prosecutions. The use of stereotypes and biases prevalent in the FBI is extremely harmful and leads to the wrongful prosecutions of individuals subjected to profiling. Former FBI agent German stated, “The [FBI] training is a form of othering, which is a dangerous thing to do to a national security workforce learning to identify the dangerous ‘them’ they’re supposed to protect ‘us’ from.”²³ This danger of othering is all too real for many Asian Americans. Their cases show ongoing bias, discrimination, and race and ethnicity-based profiling of individuals of Asian descent by the U.S. Government.

²⁰ Remarks by Assistant Attorney General Matthew Olsen, National Security Division, February 22, 2022. <https://www.justice.gov/opa/speech/assistant-attorney-general-matthew-olsen-delivers-remarks-countering-nation-state-threats>

²¹ *FBI Director Christopher Wray’s Opening Remarks: China Initiative Conference*, CIS (Feb. 6, 2020), <https://www.csis.org/analysis/fbi-director-christopher-wrays-opening-remarks-china-initiative-conference> (According to FBI Director, the FBI now has “private-sector coordinators in each of the FBI’s 56 field offices who lead [their] engagement with local businesses and universities.” “[They] meet with these partners frequently, providing threat awareness briefings...”); see also Ana Swanson, *A New Red Scare Is Reshaping Washington*, N.Y. TIMES (July 20, 2019), <https://www.nytimes.com/2019/07/20/us/politics/china-red-scare-washington.html> (“Officials from the F.B.I and the National Security Council have been dispatched to Ivy League universities to warn administrators to be vigilant against Chinese students who may be gathering technological secrets from their laboratories to pass to Beijing.”).

²² *Open Hearing on Worldwide Threats: Before the S. Select Comm. on Intelligence*, 115th Cong. 50 (2018) (statement of Christopher A. Wray, Director, Fed. Bureau of Investigation) [hereinafter *Open Hearing on Worldwide Threats*].

²³ Peter Waldman, *Mistrust and the Hunt for Spies Among Chinese Americans*, BLOOMBERG NEWS (Dec. 10, 2019), <https://www.bloomberg.com/news/features/2019-12-10/the-u-s-government-s-mistrust-of-chinese-americans>.

The government's investigation and prosecution of Dr. Wen Ho Lee is illustrative. In December 1999, the government prosecuted Wen Ho Lee, a Taiwanese American scientist, accusing him of passing secrets to the Chinese government about a U.S. nuclear program despite lacking evidence of espionage.²⁴ Although Lee received restitution, great damage had been done. In addition to suffering from a damaged reputation, he spent nine months in solitary confinement and was denied basic legal protection under the law.²⁵ At Mr. Lee's dismissal hearing, federal District Court Judge James A. Parker apologized to him and reproached the Government's conduct.²⁶

Despite the injustice in Mr. Lee's case, the Government has continued to bring indictments based on faulty and unclear grounds against Asian scientists. In 2013, a federal grand jury indicted two former Eli Lilly and Co. senior biologists, Guoqing Cao and Shuyu "Dan" Li, on charges of stealing nine drug discovery trade secrets and passing them to a Chinese drug company.²⁷ The U.S. attorney's office later requested the dismissal of all charges but neglected to specify the reasons for doing so.

In 2014, federal agents accused Sherry Chen, a Chinese American hydrologist, then employed at the National Weather Service, of using a stolen password to download information from a federal dam database and of lying about meeting with a high-ranking Chinese official.²⁸ Ms. Chen had sent publicly available information to a former classmate in China and then connected him to a colleague for further information about his inquiry.²⁹ The colleague reported her.³⁰ During the course of the investigation, investigators asked Ms. Chen when she last saw a former classmate. She told them, "I think 2011" when they had actually met in 2012.³¹ Prosecutors then sought to convict her of making a false statement before later dropping all charges.³² While the DOJ dropped the case after finding no evidence of espionage, the United States Department of Commerce announced in 2015 its plan to fire Ms. Chen. The federal Merit Systems Protection Board in April 2018 ruled in favor of her reinstatement and suggested that Commerce Department officials had buried exculpatory evidence. Ultimately, after a civil lawsuit was filed, the federal government settled with Ms. Chen by paying her over \$1.75 million in back pay and other damages.

²⁴ See *United States v. Wen Ho Lee*, 79 F. Supp. 2d 1280 (1999); Lowen Liu, *Just the Wrong Amount of American*, SLATE (Sept. 11, 2016), <https://slate.com/news-and-politics/2016/09/the-case-of-scientist-wen-ho-lee-and-chinese-americans-under-suspicion-for-espionage.html>.

²⁵ *Id.*

²⁶ *Statement by Judge in Los Alamos Case, with Apology for Abuse of Power*, N.Y. TIMES (Sept. 14, 2000), <https://www.nytimes.com/2000/09/14/us/statement-by-judge-in-los-alamos-case-with-apology-for-abuse-of-power.html>.

²⁷ *Feds dismiss charges against former Eli Lilly scientists accused of stealing trade secrets*, INDY STAR (Dec. 5, 2014), <https://www.indystar.com/story/news/crime/2014/12/05/feds-dismiss-charges-former-eli-lilly-scientists-accused-stealing-trade-secrets/19959235/>.

²⁸ Nicole Perloth, *Accused of Spying for China, Until She Wasn't*, N.Y. TIMES (May 9, 2015), <https://www.nytimes.com/2015/05/10/business/accused-of-spying-for-china-until-she-wasnt.html>.

²⁹ Kim, *supra* note 11, at 774.

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

In 2015, the DOJ accused Xiaoxing Xi, a Chinese American physics professor at Temple University, of sharing sensitive American-made technology with Chinese scientists.³³ Without consulting with experts to understand the technology, FBI agents and prosecutors branded Mr. Xi as a Chinese spy. He was eventually vindicated after independent experts discovered that the information that he shared for academic purposes was not classified and perfectly lawful.³⁴ However, once again, the damage to Mr. Xi's reputation was done and to date, there has been no apology or compensation by the Government.

These cases lead us to believe that race and ethnicity-based profiling are indeed driving these prosecutions.³⁵ Examined in conjunction, these cases validate a disturbing yet ongoing trend – the criminalization of Asian Americans in the name of national security. When a subset of the population is regarded as “perpetual foreigners” or as “the other,” national security arguments can easily overshadow civil and human rights considerations. The prosecutions of Asian American scientists and ongoing investigations have harmed not just individuals but have rippled out into the Asian American community in the United States as a whole.

The Government's broad suspicion of Asian American and Asian immigrant scientists has created an environment of uncertainty and fear for the community across the country. Even individuals who have not been prosecuted have been driven from the country they consider home and have suffered immeasurable harm to their livelihood, relationships and personal health. Moreover, there is a pervasive “psychological fear” among scientists of Chinese origin in an environment that has increasingly become hostile to them.³⁶ MIT mechanical engineer Gang Chen shared that “[t]he current atmosphere creates a lot of psychological fear.”³⁷ A former MIT engineering postdoc who is now in Beijing described FBI investigations as “scary” and wished to remain anonymous.³⁸ He was questioned about his involvement in China's Thousand Talent Plan (“TTP”) and said that “[he] felt like [he] was unfairly targeted just because [he's] Chinese.”³⁹

In Cincinnati, Ohio, there have been reports of FBI intimidation and harassment of Chinese employees and professors at the University of Cincinnati.⁴⁰ Eric Palmer, the Executive Director of the local chapter of the American Association of University Professors stated that the FBI contacted at least three faculty members at the university in 2018 in connection to China's Thousand Talents programs.⁴¹ According to Mr. Palmer, FBI agents harassed these individuals by

³³ Matt Apuzzo, *U.S. Drops Charges That Professor Shared Technology with China*, N.Y. TIMES <https://www.nytimes.com/2015/09/12/us/politics/us-drops-charges-that-professor-shared-technology-with-china.html>.

³⁴ *Id.*

³⁵ *Racial Profiling*, ACLU (2019), <https://www.aclu.org/issues/racial-justice/race-and-criminal-justice/racial-profiling>.

³⁶ Elie Dolgin, ‘Psychological Fear’: MIT Scientists of Chinese Origin Protest Toxic US Climate, www.nature.com/articles/d41586-019-02063-z.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ Bill Rinehart, *FBI Is ‘Harassing’ Some Chinese Citizens Says Academic Group*, WVXU (Aug. 26, 2019), <https://www.wvxu.org/post/fbi-harassing-some-chinese-citizens-says-academicgroup%23stream/0> www.wvxu.org/post/fbi-harassing-some-chinese-citizens-says-academicgroup%23stream/0

⁴¹ *Id.*

showing up both at their workplace and at their homes.⁴² FBI agents then asked some faculty members “to turn over information about other Chinese national faculty members with at least an implicit threat that if they don’t, they will be investigated further.”⁴³ Mr. Palmer considered the Government’s approach to be “scare and authoritarian tactics” where the Government “assum[es] Chinese scholars are trying to steal intellectual property” rather than determining whether “there’s credible information pointing to individuals and investigate on that basis.”⁴⁴

The impact of these biases and profiling extends to international scholars, particularly to Asian students seeking to study and contribute to academia in the United States. FBI surveillance and prosecution of individuals of Asian descent has created a chilling effect at universities and fosters an environment of fear discouraging students from studying here. According to the State Department Open Doors report, there has been a 6.6% decrease in new international student enrollment in 2017/18 which was double the rate of decrease from the previous year.⁴⁵ This marked “the first time America has seen a two-year decline,” and signified the shift in perception by international students of how welcoming the United States is.⁴⁶ The loss of international students, including those from China, is a tremendous loss for the United States. Overall, foreign students contribute \$39 billion to our country, and have created or supported more than 455,000 jobs just within the 2017-2018 academic year.⁴⁷ Although Chinese students make up only 1.7% of the total U.S. higher education enrollment, they contributed to about \$12 billion to the U.S. economy in 2016 according to the State Department’s Open Doors report.⁴⁸ Many of these students go on to become citizens and have families here in the United States.

Concerns about the impact of these investigations on human lives and for the academic arena are prevalent across universities. MIT, Yale University, Stanford University and at least eight other institutions have issued statements detailing their concerns with the targeting of Chinese scientists and academics.⁴⁹ However, many universities provide inadequate support to their faculty who find themselves targets of the U.S. Government. Caught in the middle of the investigations and prosecutions, many scientists, professionals, and academics of Asian descent fear they will be criminalized under the Government’s broad net of suspicion. “The investigations have left Chinese and Chinese-American academics feeling ‘that they will be targeted and that they are at risk,’” said Frank Wu, former president of C-100, a prominent Chinese American organization.⁵⁰ “People are living in fear.”⁵¹ The damage from the Government’s overzealous prosecutions has already harmed Americans and has now permeated various facets of our society, creating an environment of fear

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ LOSING TALENT 1, 1 (2019).

⁴⁸ Statement of Ms. Jill Welch, Deputy Executive Director for Public Policy NAFFSA: Association of International Educators at the Hearing on Student Visa Integrity: Protecting Educational Opportunity and National Security at 9 (citing Institute of International Education. “Opening Doors Fact Sheet: China.” Accessed September 13, 2019. <https://p.widencdn.net/vmtzur/Open-Doors-2017-Country-Sheets-China>).

⁴⁹ Dolgin, *supra* note 35.

⁵⁰ Gina Kolata, *Vast Dagnet Target Theft of Biomedical Secrets for China*, NY Times (Nov 2019), <https://www.nytimes.com/2019/11/04/health/china-nih-scientists.html>.

⁵¹ *Id.*

and impacting the actions and abilities of Chinese scientists and researchers today to work and live in the United States.

Importance of the Upcoming NSPM-33 Guidance and Section 117

The mass profiling of Asian communities harms American citizens and immigrants creating fear, feelings of estrangement by Asian Americans and immigrants and furthers the biased “perpetual foreigner” narratives amongst the majority population.

AAJC submitted written testimony, including recommendations to the Office of Science and Technology (OSTP), as it implements guidance for the National Security Presidential Memorandum (NSPM) – 33. As part of these recommendations, we also urged OSTP to take the appropriate measures with input with from community members to address the racial profiling and targeting of Asian Americans and Asian immigrants. We encouraged the Office to take the following steps:

- OSTP must harmonize and implement uniform policies to bridge the gap between academia and U.S. government agencies about how to best protect U.S. interests in fundamental research while maintaining openness and successfully competing in the global marketplace for international scientific talent, particularly for disclosure requirements for conflicts of interests and commitments. Government grantmaking agencies such as NIH and NSF and universities should provide greater clarity in their guidelines and instruction regarding requirements for grant applications, disclosures, conflicts of commitments and conflicts of interests. Any policies and sanctions for failure to adhere to requirements or non-compliance should be clarified, standardized, and implemented uniformly. Government grantmaking agencies and universities can and should take steps to educate grantees and potential grantees about the need for disclosures and conflicts of interest, including as they relate to the activities with the Chinese government, Chinese universities and Chinese corporations or nationals.
- OSTP must ensure transparency from federal agencies on their investigative process for violations of research integrity and how determinations are made for when these are shared with law enforcement. Federal grant-making agencies such as NIH and NSF are not law enforcement agencies and should minimize entanglements with the FBI. Integrity issues should not be criminalized or mistaken as national security concerns.’
- Any new rules or clarification of existing rules should be applied to conduct prospectively, as much as possible. People should not be punished for past, lawful scientific collaboration with Chinese research institutions or honorary programs, by being summarily denied for any future federal government funding opportunities.
- OSTP should discourage criminalization of unintentional, inadvertent and/or administrative errors. As new and clearer guidelines are created, faculty, staff and scholars should have the opportunity to adjust their previous forms and provide any additional disclosures without being prosecuted or facing negative employment consequences. Self-

disclosures should be incentivized, and cases of non-disclosures should be handled on an individual basis. Most Asian American and immigrant scientists under surveillance under the “China Initiative” have nothing to hide and would openly share any of their past activities if they did not fear prosecution.

- OSTP should review policies and take measures throughout the government to combat racial bias against Asian American and Asian immigrant scientists and federal employees, including but not limited to anti-bias training. OSTP must examine existing procedures to find ways to improve and eliminate bias, both explicit and implicit. To further these efforts, OSTP should provide adequate training or scientific consultation for federal agents and prosecutors handling these cases to prevent and minimize harmful errors. OSTP must increase engagement with the scientific community, civil rights organizations, and impacted communities to minimize the impact of bias in hiring, admissions, and grant approvals.
- OSTP should encourage transparency from federal agencies on the implementation of guidance including any impacts such as chilling effects and the deterring of Asian Americans and immigrants from certain activities such as immigration, studying, and/or working in the United States.
- OSTP should consider the initial implementation as a pilot and provide additional comment periods. As guidance is implemented for NSPM-33, OSTP should report in the first six months on the successes and failures of the implementation to stakeholders to continue the discussion on improvement. Asian American civil rights and community groups should be included in the discussion to address concerns of racial equity, bias, and profiling.

Section 117 likewise would benefit from a rulemaking process that would provide greater clarity as to the scope and nature of gifts that should be reported. Clarity and precision will result in greater transparency and compliance. Such efforts are supported by the Association of American Universities and the American Council on Education.

Discriminatory Land Laws

The scapegoating of Asian Americans in the academic community must be mentioned in the same breath as the current re-emergence of discriminatory land laws. These land laws are modern incarnations of older legislation; they are racist restrictions, first enacted in the late 1800’s, to prevent Asian immigrants from purchasing or even leasing property to prevent their communities from permanently settling in the U.S. The history of such land laws also cannot be divorced from policies such as the Immigration Act of 1917 and Chinese Exclusion Act of 1882. Similar bills such as restrictive statutes against immigrants owning agricultural land were also passed in the 1970s by multiple states such as Missouri, Iowa, and Minnesota in response to anti-Japanese sentiment.

These land laws contribute to the overall chilling effect that serves to drive away foreign interest in coming to the U.S. to participate in critical research efforts, cutting edge development, and joining academic ventures. Targeting individuals, as many of these laws do, reinforces the

problematic notion that Asian immigrants should be alienated, otherized, or subject to extraordinary scrutiny because they are somehow ‘disloyal’ or disproportionately likely to engage in economic espionage on behalf of the Xi Jinping regime.⁵² These harmful assumptions could subsequently lead to the increased profiling of the Asian American community, especially in industries like real estate, academia, and public service.

Instead of erecting more barriers to foreign nationals’ participation in U.S. academic institutions and research opportunities, the federal government should be encouraging such interest. Not only would this bolster our research capacity and overall competitiveness, especially in STEM fields, but it would also open the door for more foreign nations to become American citizens.

Conclusion

Broad suspicion of the Asian American community, specifically within the context of American universities and research institutions, has led to the systematic discrimination against students, academics, and researchers of Asian descent. Such profiling is informed by similar racial profiling and violent exclusion that occurred in the 19th and 20th centuries—from the murder of Vincent Chin in 1982 to the murders of Sikh Americans and the racial profiling of Muslim Americans in a post-9/11 environment. It is critical that this country acknowledge its problematic treatment of Asian Americans and immigrants as perpetual foreigners and national security threats based on race, ethnicity, and national origin. Not only has this mistreatment resulted in the generational trauma of our communities, but it also undermines our efforts to compete economically on the world stage by over-criminalizing issues related to research integrity, and calls into question the credibility of our democratic institutions.

Instead, the federal government should be in the business of facilitating effective, long lasting, and meaningful intellectual exchange. A large part of this involves ensuring that open research and collaboration between the U.S. and China is encouraged. Such cultural exchange is critical in preventing misunderstanding between the CCP and the U.S. government and diffusing further escalatory rhetoric.

For too long, this country has weaponized national security as a catch all to implement laws that have a resulting discriminatory impact on the Asian American and Asian immigrant community. This committee has an opportunity to approach the issues raised in this hearing and the corresponding legislation in a similar, bipartisan way, that pays due consideration to the history of exclusion and alienation that our community has faced.

⁵² Azi Paybarah and Amy B Wang, “Democrats defend Rep. Chu against ‘xenophobic accusations of disloyalty to U.S.,” *The Washington Post*, February 24, 2023, <https://www.washingtonpost.com/politics/2023/02/24/asian-americans-judy-chu-china-gooden/>.

Chairman OWENS. Thank you, Mr. Yang. I would like now—I would like to recognize Mr. Singleton.

**STATEMENT OF MR. CRAIG SINGLETON, CHINA PROGRAM
DEPUTY DIRECTOR AND SENIOR FELLOW, FOUNDATION
FOR DEFENSE OF DEMOCRACIES, WASHINGTON, D.C.**

Mr. SINGLETON. Chairman Owens, Ranking Member Wilson, and distinguished members of the Subcommittee. Thank you for the opportunity to testify about foreign adversary influence on U.S. college campuses. I am pleased to provide relevant research and policy insights from the Foundation for Defense of Democracies, a non-partisan research institution where I serve as a senior fellow.

Foreign adversary nations are engaged in far-reaching campaigns to exploit the United States's open, collaborative nature and furtherance of their strategic military and economic goals. Nowhere is this threat more acute than on U.S. college campuses today. These complicated challenges extend well beyond technology transfer and intellectual property theft.

Increasingly, America's adversaries, but particularly China, are leveraging their almost unfettered access to U.S. universities to stifle free speech protections, monitor student activities, and promote false narratives. No doubt, openness, freedom and diversity represent fundamental pillars of our democracy, and serve as intrinsic strength on the United States and our way of life.

Maintaining America's competitive edge hinges on a commitment to open academic and scientific exchange, but so too must we embrace common sense measures to protect our intellectual capital and discourage its misappropriation, as well as to counter authoritarian attempts to promote on campus censorship and intimidation.

In doing so, we must take serious steps to avoid inflaming anti-Asian rhetoric for the unjustly blaming of Chinese students as spies. Indeed, by encouraging dialog, and respectful engagement, Congress stands to promote a clear-eyed understanding of the complex geo-political issues at play, while still respecting diverse perspectives.

Responding to this evolving threat requires the establishment of new legislative and regulatory guardrails centered around enhanced transparency requirements, mandatory due diligence and vetting protocols, and in some cases funding and gift prohibitions to protect academic freedom and integrity.

Some of those measures should include a Federal ban on Confucius institutes, and their rebranded successors, which are proliferating across college campuses, lowering Section 117's foreign gift reporting threshold from \$250,000.00 to \$5,000.00, and empowering the U.S. Department of Education to better investigate and enforce Section 117 non-compliance, mandating that U.S. universities make publicly available details regarding all academic and research partnership agreements, both active and inactive, with entities located in countries of concern, such as China.

Establishing formal mechanisms so the Department of Education in coordination with other agencies to share relevant insight, best practices and trends with select foreign partners, similarly working to confront maligned, adversarial influence throughout their higher education systems.

We should not view these new measures as limitations on academic freedom, but rather as necessary safeguards to preserve the integrity of our higher education system. Transparency and oversight do not stifle collaboration, but instead ensure that partnerships are built on a foundation of trust, accountability, and shared values.

Moreover, by better scrutinizing financial ties, legislators can prevent undue influence, and ensure that research and educational activities remain independent and free from adversarial pressure. On these issues, policymakers here in Washington stand to learn from leaders of the State level, including in places like Florida.

This year Democrats and Republicans in Tallahassee, working closely with university representatives, and higher education stakeholders unanimously passed the first of its kind legislation, enhancing transparency requirements, foreign influence disclosure rules, and targeted to gift bans to protect the state's post-secondary institutions and their students from the evolving threat posed by adversarial countries of concern.

These, and other State level initiatives can and should serve as models for Federal level legislation. No doubt, efforts to neutralize the threat facing by China, Russia, and other adversarial nations transcends political lines, even as they present a myriad of cross-jurisdictional challenges in Congress.

Legislators must therefore work together to leverage their diverse backgrounds and experiences across congressional committees, to effectively tackle this issue, and produce lasting legislative outcomes. On behalf of the Foundation for Defense of Democracies I thank you again for inviting me to testify today.

[The prepared statement of Mr. Singleton follows:]

CONGRESSIONAL TESTIMONY: FOUNDATION FOR DEFENSE OF DEMOCRACIES

House Education and the Workforce Committee
Subcommittee on Higher Education and Workforce Development

Exposing The Dangers Of The Influence Of Foreign Adversaries On College Campuses

CRAIG SINGLETON

China Program Deputy Director
and Senior Fellow
Foundation for Defense of Democracies

Washington, DC
July 13, 2023



www.fdd.org

Introduction

Chairman Owens, Ranking Member Wilson, and distinguished members of this subcommittee, thank you for the opportunity to testify about foreign adversary influence on U.S. college campuses. I am pleased to provide relevant research and policy insights from the Foundation for Defense of Democracies, a non-partisan research institute, where I serve as a senior fellow.

Today, foreign adversary nations are engaged in far-reaching campaigns to exploit the United States' open, collaborative nature in furtherance of their strategic, military, and economic goals. Nowhere is this threat more acute than on U.S. college campuses. China, Russia, Iran, and other authoritarian regimes fully recognize that the United States' higher education system underpins America's innovation, science and technology leadership, and economic competitiveness. In taking advantage of opaque, often-unregulated academic exchanges, these nations and their state-backed companies stand to circumvent the massive costs and accompanying risks associated with conducting their own research and development — all at the expense of the United States, its allies, and its partners.

The threat posed by these adversarial actors extends well beyond technology transfer and intellectual property theft as a means to enhance their composite national strength. Increasingly, America's adversaries are also leveraging their unfettered access to U.S. college campuses to stifle free speech protections, monitor student activities, and propagate disinformation and other false narratives. As a result, these countries have succeeded in weaponizing such access to sow social division, undermine faith in public institutions, and restrict open discourse. These and other brazen activities pose significant challenges to academic freedom and, if left unchecked, threaten to seriously erode the integrity of America's academic ideals.

No doubt, openness, freedom, and diversity represent fundamental pillars of our democracy and serve as intrinsic strengths of the United States and our way of life. Maintaining America's competitive edge thus hinges on a shared commitment to open academic and scientific exchange. But so, too, must we embrace common-sense measures to protect our intellectual capital and discourage its misappropriation as well as to counter authoritarian attempts to promote on-campus censorship and intimidation. The key then is to strike an appropriate balance between preserving our values and protecting U.S. national security as we enter this renewed era of great-power competition.

Despite the scope and intensity of the threat, the United States has, in my view, never been better positioned than it is today to tackle these and other emerging challenges on campus. One reason: members of Congress, working on a bipartisan basis, have in recent years instituted a number of significant measures aimed at inoculating America's higher education system from the corrosive actions of China and other countries. Those efforts included passing legislation prohibiting U.S. universities hosting Chinese government-supported Confucius Institutes (CIs) from receiving Defense Department funding for Chinese language study.¹ This lone provision in the John S. McCain National Defense Authorization Act (NDAA) for Fiscal Year 2019 led to a dramatic

¹ John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232, 132 Stat. 1636. (<https://www.govinfo.gov/content/pkg/PLAW-115publ232/html/PLAW-115publ232.htm>)

decrease in the number of CIs operating across the United States, from a high of 113 in 2018 to 10 today.²

Notwithstanding growing bipartisan alarm and action, the Chinese government and other authoritarian actors have nevertheless embraced ever-more sophisticated means to deepen their influence and access throughout American academia. Even worse, obtaining a complete and accurate understanding of these activities has been severely hindered by weak, often contradictory, regulatory oversight and long-standing transparency gaps at the federal and state levels. If left unaddressed, the economic and strategic losses stemming from these systemic deficiencies risk undermining America's commercial and military advantages. More troubling, however, is that these malign activities stand to jeopardize the ability of faculty, staff, and students to debate ideas freely without fear of intimidation and retribution by hostile foreign nations and/or their on-campus proxies.

Of course, the United States is not alone in facing these complicated challenges. Indeed, Washington has much to learn from the collective experiences of other democracies, including Australia, which are waging similar campaigns to combat malign influence throughout their higher education systems. Policymakers in Washington also stand to gain from lessons learned at the state level, particularly in Florida, where the state legislature unanimously passed first-of-its-kind legislation aimed at protecting post-secondary institutions and their students from the evolving threat posed by adversarial "countries of concern."³

Overview: An Evolving, Whole-of-Academia Threat

Adversarial foreign nations, such as China, Russia, and Iran, skillfully exploit American academic openness and collaboration to further their hard and soft power as well as to monitor the speech and actions of their nationals studying in the United States. These countries undeniably recognize the value of continued access to American academia and higher education in advancing their own national goals. Chinese leader Xi Jinping has himself emphasized the significance of maintaining access to U.S. higher education to further his country's military modernization and great-power aspirations.⁴

The Tech Threat

China is certainly not the only country with its sights set on American academia, but it is by far the most prolific offender. China's whole-of-society strategy to leverage American academic

² Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>); "How Many Confucius Institutes Are in the United States?" *National Association of Scholars*, June 22, 2023.

(https://www.nas.org/blogs/article/how_many_confucius_institutes_are_in_the_united_states)

³ Agreements of Educational Entities with Foreign Entities, Senate Bill 846, Florida Senate, May 8, 2023. (<https://laws.flrules.org/2023/34>)

⁴ PRC President Xi Jinping, "习近平·使留学人员回国有用武之地 留在国外有报国之门 (Let the overseas students return to the country to use their abilities, and stay abroad to serve the country)," *Speech at the 100th Anniversary Celebration of the European and American Alumni Association*, October 21, 2013. (https://www.chinadaily.com.cn/dfpd/shizheng/2013-10/21/content_17049078.htm)

openness aligns with its broader, stated objective of becoming a global superpower. The Chinese government has specifically and formally embraced the notion that its civilian universities must integrate into China's military-civil fusion (MCF) system, which aims to eliminate barriers between China's civilian research and commercial sectors and its military and defense industrial sectors.⁵ China similarly maintains a range of policies to "advance the two-way transfer and transformation of military and civilian technological achievements."⁶

By facilitating collaborations between Chinese civilian universities and their American counterparts, China clearly aims to tap into America's cutting-edge research, acquire advanced technologies, and bolster its own military capabilities. Chinese officials have openly acknowledged as much, noting that cooperation with U.S. academia contributes to China's catch-up development, with U.S. universities and research institutes representing a "treasure trove of technological talent" ripe for Beijing's taking.⁷

These adversarial initiatives have evolved over time and often take many forms. They include weaponizing student exchange programs and non-immigrant visa processes as well as academic and research partnerships to acquire and export sensitive information and next-generation technology.⁸ Beijing's efforts include sponsoring promising Chinese students and scholars in science, technology, engineering, and math (STEM) fields at U.S. and foreign universities, with the understanding that these individuals will return home to provide the technology and talent Beijing needs to compete with the United States.⁹ Xi has personally championed such programs as crucial to China's long-term military development, noting that China's defense industry must actively harness joint-degree programs and other research-focused initiatives in STEM-related fields to fill critical knowledge gaps back in China.¹⁰

⁵ Emily de La Bruyere and Nathan Picarsic, "Defusing Military-Civil Fusion," *Foundation for Defense of Democracies*, May 27, 2021. (<https://www.fdd.org/analysis/2021/05/26/defusing-military-civil-fusion>)

⁶ PRC Chinese Ministry of Education, "教育部 财政部 国家发展改革委印发《关于高等学校加快“双一流”建设的指导意见》的通知 (Notice of the National Development and Reform Commission of the Ministry of Education and the Ministry of Finance on Printing and Distributing the 'Guiding Opinions on Accelerating the Construction of "Double First Class" in Higher Education')," April 27, 2018. (Archived version available at <https://web.archive.org/web/20191115032608/https://yz.chsi.com.cn/kyzx/jybz/201808/20180827/1716774413.html>)

⁷ "中国驻外使领馆:万流归海引人才 不遗余力架桥梁 (PRC overseas mission: amid the flow of tens of thousands of talents returning to China, we do not spare energy in building bridges)," *Government of China*, June 4, 2014. (www.gov.cn); Alex Joske, "Hunting the phoenix: The Chinese Communist Party's global search for technology and talent," *Australian Strategic Policy Institute*, January 1, 2020. (<https://www.jstor.org/stable/resrep26119>)

⁸ Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

⁹ Anastasya Lloyd-Damjanovic and Alexander Bowe, "Overseas Chinese Students and Scholars in China's Drive for Innovation," *U.S.-China Economic and Security Review Commission*, October 7, 2020. (https://www.uscc.gov/sites/default/files/2020-10/Overseas_Chinese_Students_and_Scholars_in_Chinas_Drive_for_Innovation.pdf)

¹⁰ PRC President Xi Jinping, "习近平:使留学人员回国有用武之地 留在国外有报国之门 (Let the overseas students return to the country to use their abilities, and stay abroad to serve the country)," *Speech at the 100th Anniversary Celebration of the European and American Alumni Association*, October 21, 2013. (https://www.chinadaily.com.cn/dfpd/shizheng/2013-10/21/content_17049078.htm)

Some adversarial nations also manage and fund talent recruitment programs to advance their information collection and national development goals. These programs specifically target science and technology professionals and/or students, regardless of citizenship or national origin, with the intent of obtaining, often illicitly, proprietary technology or software, unpublished data and methods, and other intellectual property from U.S. college campuses.

China, for instance, operates more than 200 distinct talent recruitment programs designed to gain footholds throughout foreign universities.¹¹ Beijing's primary target remains America's 'R1' and 'R2' research institutes, or those universities involved in the highest levels of academic research in the United States. Particularly troubling is the extent to which many of China's talent initiatives are overseen by China's military — which sets China's talent recruitment programs apart from those of most other nations. These programs directly aid China's military-civil fusion strategy. In freely tapping into American academia, Beijing seeks everything from foundational knowledge taught on college campuses to next-generation research, much of which is not technically classified but still has potential military applications.¹²

The lack of separation between the Chinese Communist Party, the Chinese state, and China's military gravely complicates ongoing efforts to evaluate the security risks and independence of seemingly benign projects involving many Chinese universities and their researchers. These complicated due diligence challenges are felt most acutely by U.S. universities and academics. In the aggregate, U.S. universities maintain thousands of known academic and research partnerships with Chinese universities, including those overtly tapped by Beijing to support its military-civil fusion needs.

Similar vetting challenges also plague the U.S. government, most notably the Defense Department. Each year, executive branch agencies award millions of dollars in taxpayer funds to support basic and applied research initiatives at U.S. universities. Alarming, many of these U.S. universities also voluntarily maintain student exchange and STEM-related research partnerships with Chinese universities directly supporting China's military.

For example, in a recently released memorandum, the Defense Department, published for the first time a list of research institutions in China, Russia, and other countries of concern that actively support their nations' militaries and intelligence needs.¹³

In the case of China, the Defense Department list included entities such as Nanjing University, Sichuan University, Sun Yat Sen University, and Ocean University. All of these universities

¹¹ Senator Rob Portman, "Securing the U.S. Research Enterprise from China's Talent Recruitment Plans," *Statement Before the U.S. Senate Permanent Subcommittee on Investigations*, November 19, 2019.

(<https://www.hsgac.senate.gov/wp-content/uploads/jimo/media/doc/2019-11-19%20Chairman%20Portman%20Opening%20Statement2.pdf>)

¹² Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

¹³ Department of Defense: Research and Engineering, "Policy for Risk-Based Security Reviews of Fundamental Research," June 8, 2023. (<https://media.defense.gov/2023/Jun/29/2003251160/-1/-1/1/COUNTERING-UNWANTED-INFLUENCE-IN-DEPARTMENT-FUNDED-RESEARCH-AT-INSTITUTIONS-OF-HIGHER-EDUCATION.PDF>)

have been overtly designated by the Chinese government as part of its Double First-Class University Plan (世界一流大学和一流学科建设) to support the nation's military build-up in fields involving nuclear weapons research, aerospace technology, aviation design, and armament development.

Less known is that these four Chinese universities alone maintain more than six dozen known academic and research partnerships with America's top research universities, many of which receive U.S. government research and development funding.¹⁴ These American research institutes include Massachusetts Institute of Technology (MIT); Harvard College; Yale University; the University of Pennsylvania; Arizona State University; the University of California; Los Angeles; Purdue University; the University of Michigan; the University of Arizona; Carnegie Mellon University; and Rutgers University, just to name a few.

The true extent of these and other partnerships remains largely unknown. The reason: U.S. universities are not required by law to disclose details regarding their foreign partnerships nor to conduct any formal due diligence on their Chinese partners. U.S. universities are similarly under no legal or regulatory obligation to sever ties with Chinese universities supporting China's military-industrial complex — even if those Chinese universities are on the U.S. Commerce Department's Entity List, which restricts the exportation of sensitive items to designated entities and individuals.¹⁵

One need look no further than a recent controversy involving Alfred University to understand the scope of the challenge. The little-known New York-based university maintains at least two Defense Department contracts totaling at least \$17.5 million.¹⁶ These contracts fund sensitive research involving the development and testing of materials used in hypersonic missiles — an emerging field of extreme importance to Washington and Beijing given the ability of these advanced, ultra-fast missiles to evade traditional missile defense networks. Yet Alfred elected to maintain long-standing, unregulated partnerships with the China University of Geosciences, which hosts a major Chinese government-funded and directed defense laboratory specifically tasked with aiding China's People's Liberation Army on military research topics.¹⁷

¹⁴ "U.S.A Partner Institutions, *Nanjing University*, accessed July 6, 2023. (Archived version available at https://web.archive.org/web/20230706185233/https://stuex.nju.edu.cn/en_/wwwwww/list.htm); "Cooperation & Exchanges," *Sichuan University*, accessed September 28, 2022. (Archived version available at https://web.archive.org/web/20220928103532/https://international.scu.edu.cn/Cooperation_Exchange/What_We_Do/About_Exchanges_and_Cooperation.htm); "Partner Universities," *Yenching Academy of Peking University*, accessed July 1, 2023. (Archived version available at https://web.archive.org/web/20230701100239/https://yenchingacademy.pku.edu.cn/ADMISSIONS/Partner_and_Cooperating_Universities.htm); "International Cooperation," *Ocean University of China*, accessed July 7, 2023. (Archived version available at <https://web.archive.org/web/20230707152024/http://eweb.ouc.edu.cn/959/list.htm>)

¹⁵ Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

¹⁶ Jimmy Quinn, "House CCP Committee Launches Probe of University's Hypersonic-Research Contract," *National Review*, June 1, 2023. (<https://www.nationalreview.com/2023/06/house-ccp-committee-launches-probe-of-universitys-hypersonic-research-contract/>)

¹⁷ Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

It was only after these partnerships came to the attention of Congress and the media that Alfred severed its ties with China University of Geosciences, which, in recent years, has donated hundreds of thousands of dollars to Alfred.¹⁸ Alfred similarly shuttered a Confucius Institute the two schools jointly operated on Alfred's campus. Nevertheless, like so many other universities across the United States, the extent of Alfred's other Chinese liaisons, including those with a potentially problematic research nexus, remains almost entirely unknown on account of glaring transparency and due diligence gaps.

Soft Power, Censorship and Capital Transfers

Of course, adversarial exploitation of American academia extends well beyond technology transfer, theft of intellectual property, and troubling research dependencies. Adversarial countries also leverage ties to U.S. academia to further their soft power goals. These efforts center around shaping public narratives, influencing academic curricula, sowing social division, and undermining faith in public institutions — all in a bid to bolster their composite strength and international influence. China's Confucius Institute program is emblematic of these malign narrative-shaping efforts.¹⁹ These programs receive funding and direction from the Chinese Communist Party's Propaganda Department and United Front Work Departments, which spend hundreds of millions of dollars annually to influence foreigners and overseas Chinese communities.²⁰

Increasingly, authoritarian regimes also view U.S. college campuses as safe spaces to silence critics and monitor their citizens. On this front, the Chinese government has no equal, and its known activities go well beyond operating Confucius Institutes (or their re-branded successors). Indeed, they also extend to operating more than 150 Chinese Students and Scholars Associations (CSSAs) across the United States.

These Chinese government-funded organizations are active participants in China's United Front, a political warfare strategy borrowed from the former Soviet Union.²¹ CSSAs report directly to China's diplomatic missions in the United States and thus serve as extensions of China's party-state. Among other things, CSSAs are responsible for alerting Chinese diplomats about on-campus events that have the potential to conflict with China's preferred political narratives.

¹⁸ Select Committee on the CCP, Press Release, "Gallagher Opens Investigation into University with DOD-Funded Weapons Research, Partnership with Chinese Military-linked University," June 1, 2023. ([https://selectcommitteeontheccp.house.gov/media/press-releases/gallagher-opens-investigation-university-dod-funded-weapons-research#:~:text=Mike%20Gallagher%20\(R%20D%20W\),ties%20with%20a%20Chinese%20research\)](https://selectcommitteeontheccp.house.gov/media/press-releases/gallagher-opens-investigation-university-dod-funded-weapons-research#:~:text=Mike%20Gallagher%20(R%20D%20W),ties%20with%20a%20Chinese%20research);); Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

¹⁹ Alex Joske, "The Party Speaks for You," *Australian Strategic Policy Institute*, June 9, 2020. (<https://www.aspi.org.au/report/party-speaks-you>)

²⁰ Ryan Fedusiak, "Putting Money in the Party's Mouth: How China Mobilizes Funding for United Front Work," *Jamestown Foundation: China Brief*, September 16, 2020. (<https://jamestown.org/program/putting-money-in-the-party-s-mouth-how-china-mobilizes-funding-for-united-front-work>)

²¹ Bethany Allen-Ebrahimian, "China's Long Arm Reaches Into American Campuses," March 7, 2018. (<https://foreignpolicy.com/2018/03/07/chinas-long-arm-reaches-into-american-campuses-chinese-students-scholars-association-university-communist-party>)

Journalists and activists have exposed how CSSAs routinely coordinate with the Chinese government to suppress free speech, including disrupting speeches and discussions on sensitive issues such as Tibet, Taiwan, the Uyghur genocide in Xinjiang, human rights, and even Chinese elite politics.²²

More troubling, however, is that CSSAs have been channeled by the Chinese government to harass and monitor Chinese students living and studying in the United States. These moves are clearly aimed at constraining academic freedom and undermining core principles of free speech and academic integrity. By engaging in such activities, CSSAs, acting at Beijing's behest, serve to exacerbate, and in some cases have themselves directly contributed to, an alarming and unacceptable rise in anti-Asian sentiment across the United States. Such activities include intimidating and even threatening Chinese students studying in the United States, as well as their families back in China, after they attended speeches critical of the Chinese government or raised concerns about China's persecution of Uyghur Muslims.²³

Beyond advancing adversarial hard and soft power, some adversarial nations, like China, have succeeded in leveraging U.S. university endowments to advance their national and commercial interests in ways that are antithetical to America's values and interests. Today, U.S. university endowments [manage](#) more than \$800 billion, which is larger than the annual gross domestic product of countries like Switzerland and Saudi Arabia.²⁴ These U.S. university endowments are not currently banned from investing, either directly or indirectly, in foreign firms listed on U.S. government sanctions lists. That includes the Commerce Department's Entity List, which targets individuals and companies implicated in activities contrary to U.S. national security and/or foreign policy interests.

In the case of China, U.S. university endowments have helped capitalize Chinese companies directly contributing to China's defense industrial base and military-civil fusion strategy. Investments from U.S. university endowments have also flowed to Chinese companies responsible for developing dual-use technologies used by Chinese authorities and increasingly other autocratic regimes to censor, surveil, and control their populations.

For instance, the endowments of Princeton, Duke University, and MIT committed money to Qiming Venture Partners, a China-based venture capital firm, which was part of a \$100 million round of investment in Megvii, a Chinese facial recognition company complicit in aiding the

²² Alexander Bowe, "China's Overseas United Front Work," *U.S.-China Economic and Security Review Commission*, August 24, 2018. (<https://www.uscc.gov/research/chinas-overseas-united-front-work-background-and-implications-united-states>)

²³ Sebastian Rotella, "Even on U.S. Campuses, China Cracks Down on Students Who Speak Out," *ProPublica*, November 30, 2021. (<https://www.propublica.org/article/even-on-us-campuses-china-cracks-down-on-students-who-speak-out>); Gerry Shih and Emily Rauhala, "Angry over campus speech by Uighur activist, Chinese students in Canada contact their consulate, film presentation," *The Washington Post*, February 14, 2019. (https://www.washingtonpost.com/world/angry-over-campus-speech-by-uighur-activist-students-in-canada-contact-chinese-consulate-film-presentation/2019/02/14/a442fbc4-306d-11e9-ac6c-14cca99d5e24_story.html)

²⁴ Josh Moody, "College Endowment Returns Fall After Soaring High," *Inside Higher Ed*, February 16, 2023. (<https://www.insidehighered.com/news/2023/02/17/college-endowments-dropped-fiscal-year-2022#:~:text=The%20survey%2C%20conducted%20by%20NACUBO.of%20%24807%20billion%20in%20assets>)

Chinese Communist Party's Uyghur genocide.²⁵ MIT and other universities similarly served as limited partners in private equity funds that invested heavily in another Chinese facial recognition company, SenseTime, which has also been blacklisted by the U.S. government for its role in tracking and surveilling Uyghur Muslims in China's Xinjiang province.²⁶ Owing to major transparency gaps, the true extent of these and other endowment investment flows to other similar Chinese companies or entities remains unclear.

Case Study: 'Confucius' Whac-A-Mole

Between 2018 and 2021, the number of Confucius Institutes (CIs) operating in the United States fell from 113 to 34. Today, that number stands at 10. At first blush, this dramatic decline in the number of active CIs, occurring in such a short period, would appear a net positive in terms of combating Chinese influence on U.S. college campuses. Unfortunately, CI closure figures alone do not tell the whole story.

CIs are Chinese government-sponsored organizations that ostensibly offer Chinese-language, cultural, and historical programming at the primary, secondary, and university levels worldwide. However, China's CI program is hardly a benign component in China's broader soft power apparatus. The Chinese Communist Party uses CI programs to propagate its own version of China's political history, blur Beijing's record of human rights abuses, and portray Taiwan and Tibet as undisputed Chinese possessions. What's more, CIs provide Chinese civilian universities under the control of the Chinese party-state — and, by extension, the Chinese Communist Party itself — with access to U.S. college campuses and academic elites. Such access has been used by Chinese interlocutors to build relationships with and exert influence over university officials responsible for managing international or global partnerships, not to mention U.S. academics, researchers, and students.

Troubling, too, is that CI programs greatly aid China's military pursuits in ways that are both active and passive. For instance, CI-enabled academic partnership agreements typically allow Chinese students and scholars from military-civil-fusion-related universities to study in the United States.²⁷ Such unregulated exchanges are particularly worrisome given that China's civilian university system and its students play a key role in supporting China's broader military-industrial complex. Granted, not all academic collaboration with Chinese entities entails risk, and not all Chinese students are spies, but in many documented cases, the foundational knowledge gleaned from these types of exchanges has been channeled to support military-civil-fusion-related innovation.

Interestingly, very few of the 103 CI closures between 2018 and 2023 were attributed to national security concerns. Indeed, CI closures began in earnest only after Congress passed legislation in the FY19 NDAA that barred universities hosting CIs from receiving certain types of funding

²⁵ Ryan Mac, Rosalind Adams, and Megha Rajagopalan, "US Universities And Retirees Are Funding The Technology Behind China's Surveillance State," *Buzzfeed News*, June 5, 2019.

(<https://www.buzzfeednews.com/article/ryanmac/us-money-funding-facial-recognition-sensetime-megvij>)

²⁶ *Ibid.*

²⁷ Craig Singleton, "The Middle Kingdom Meets Higher Education," *Foundation for Defense of Democracies*, December 9, 2021. (<https://www.fdd.org/analysis/2021/12/09/the-middle-kingdom-meets-higher-education/#easy-footnote-bottom-58-124712>)

from the U.S. Defense Department. More concerning, however, is evidence that CI closures often do not result in the severance of ties between the U.S. universities that once hosted these institutes and the Chinese Communist Party-selected sister universities tapped with supporting each CI's programming.

In dozens of documented cases, U.S. universities that shuttered their CIs chose to maintain, and in some cases expand, academic and sensitive research relationships with their Chinese sister universities. Many of these sister schools overtly support China's military-industrial complex, including Beijing's intelligence apparatus, in addition to underwriting China's nuclear weapons sector and cyber-espionage platforms. In other cases, U.S. universities shuttered their brick-and-mortar CIs while embracing rebranded CI-like programs operating under other names. These ostensibly "new" centers appear closely modeled on China's CI model and, in some cases, even continue to receive funding from the same Chinese government agencies that funded their now-defunct CIs, according to a report by the non-partisan National Association of Scholars.²⁸

Regrettably, tracking these replacement programs has proven incredibly difficult. There is no uniform name for these programs, and information regarding their funding sources is generally not public. Moreover, U.S. universities are under no obligation to publicly disclose information about these collaborations, nor are they required to publish copies of their partnership agreements with Chinese universities or the Chinese Communist Party. U.S. universities are also not required to document Chinese grants or other gifts for these programs unless they exceed \$250,000 annually. The net effect of this rebranding strategy is that CIs have effectively regenerated across the United States in a blatant effort to sidestep the very federal crackdown that targeted them in the first place.

POLICY CHALLENGES AND OPPORTUNITIES

In an increasingly interconnected and globalized world, the United States must recognize the urgent need to expose and counter adversarial foreign influence on its college campuses. This multifaceted threat encompasses a range of concerns, including the theft of intellectual property, censorship, coercion, malign influence and narrative shaping, the misappropriation of dual-use technology for military purposes, and the imperative to maintain the integrity of the U.S. research system. Enhanced vigilance and new, robust countermeasures are thus necessary to mitigate and monitor the many risks posed by adversarial exploitation of academic openness. The challenge is to find creative ways to build and continue important successful relationships with foreign scientists around the world while simultaneously protecting U.S. national security.

The gravity of this issue is underscored by the threat posed by China, as senior U.S. government officials from current and prior administrations have explicitly highlighted. China's aggressive, overt plan to dominate the U.S. is predicated upon using whatever means necessary, legal or not, to realize its great-power ambitions. More troubling is that, in an unprecedented development, China has the resources and resolve to override existing academic firewalls to support its technological and military development. But beyond the mere resources Beijing can bring to bear

²⁸ Rachele Peterson, Ian Oxnevad, and Flora Yan, "After Confucius Institutes: China's Enduring Influence on American Higher Education," *National Association of Scholars*, June 15, 2022. (<https://www.nas.org/reports/after-confucius-institutes/full-report>)

to obtain cutting-edge research and technology, its influence campaigns on campus are, too, becoming more sophisticated, complex, and harder to track. These censorship and coercive activities aim to stifle intellectual discourse and represent a major threat to the free exchange of ideas on U.S. college campuses today.

There is no one-size-fits-all solution to addressing this complicated and evolving threat, nor is it necessary to embrace maximalist positions in a bid to achieve equilibrium between U.S. national security interests and maintaining open academic exchange. For instance, of China's more than 3,000 universities, roughly 90 (less than 3 percent) have direct ties to the country's military and security establishment. Moreover, striking a balance between countering China's malign influence on campus and avoiding inflaming anti-Asian rhetoric or the unjust labeling of Chinese students as spies is of paramount importance. It is essential to recognize that addressing legitimate, national security concerns regarding China's actions should not, in any way, be conflated with targeting individuals based on their ethnicity or nationality.

Singling out Chinese students as potential threats or spies can create a hostile atmosphere and stigmatize an entire community. This not only undermines the principles of fairness and equality but also hampers the free flow of ideas and knowledge exchange. In encouraging dialogue and respectful engagement, while at the same time instituting common-sense legislative and regulatory guardrails, both campuses and Congress can create opportunities for students to gain a nuanced understanding of complex geopolitical issues while respecting diverse perspectives.

Enhanced transparency and oversight, along with stricter, mandatory due diligence requirements, is crucial in countering malign Chinese influence in U.S. higher education. These measures promote healthy and responsible vigilance among American governmental and nongovernmental actors. By increasing transparency, legislators can ensure that information about collaborations, funding, and partnerships with Chinese universities is readily available. This allows stakeholders to make informed decisions and identify potential risks associated with such engagements.

Similarly, stricter due diligence requirements serve as a safeguard against undue influence and intellectual property theft. By thoroughly vetting collaborations and research projects, legislators can mitigate the risk of unauthorized technology transfers and the exploitation of American research for Chinese military or economic gains. Additionally, restrictions or prohibitions on funding from Chinese universities can protect academic freedom and integrity. By scrutinizing financial ties, legislators can prevent undue influence and ensure that research and educational activities remain independent and free from external pressures.

Working with international partners will be crucial in preventing China from using other nations as conduits for Chinese agents infiltrating U.S. colleges and universities. By sharing intelligence, coordinating efforts, and implementing stricter visa and screening processes, democratic nations can collectively counter these threats. Furthermore, the recent passage of state-level legislation can and should serve as a guide for broader federal legislation aimed at safeguarding American educational institutions from undue foreign influence and espionage. Some states, like Florida, have pioneered measures such as enhanced transparency requirements, foreign influence disclosure rules, strengthened cybersecurity protocols, and targeted foreign funding bans that can and should inform the development of comprehensive federal laws.

Addressing foreign adversary influence throughout U.S. higher education presents myriad cross-jurisdictional challenges in Congress, too. Nevertheless, legislators must work together, leveraging their diverse experiences across congressional committees, to effectively tackle this issue. Cooperation across the aisle is crucial in producing lasting legislative outcomes. By transcending partisan boundaries, lawmakers can develop comprehensive approaches that withstand the test of time. Collaboration enables the pooling of expertise and resources, facilitating the identification of vulnerabilities and implementation of safeguards. In uniting together against this common threat, lawmakers can demonstrate their commitment to protecting American educational institutions and ensuring the integrity of research, intellectual property, and national security.

POLICY RECOMMENDATIONS

Countering adversarial malign foreign influence in higher education necessitates an increase in transparency, as it enables the detection and mitigation of such activities. By establishing legal and regulatory guardrails, authorities can also provide a framework to safeguard against malicious foreign influence. Additionally, educating universities about the risks and tactics employed by adversarial actors can empower them to recognize and respond effectively. Last, establishing alternative partnerships and collaborations can reduce dependency on potentially problematic foreign entities, fostering a more secure academic environment. Some possible remedies and recommendations include:

Increasing Transparency

- Congress should pass legislation mandating that U.S. universities make publicly available both active and inactive CI contracts as well as any academic partnership agreements, including associated memoranda of understanding, with any Chinese university or Chinese government-affiliated entity. This legislation should account for any contracts and/or partnership agreements concerning the myriad rebranded CI-like programs that have proliferated across U.S. college campuses in the last five years.
- Congress should require universities to file annual, detailed disclosures of all activities conducted under the auspices of their CI contracts or under any partnership agreement with a Chinese university. These disclosures should clearly account for any joint research or academic exchanges, their dual-use implications, and what specific safeguards universities have employed to ensure research and academic security screening and vigilance for each of these liaisons.
- Congress should immediately enhance Department of Education disclosure requirements pertaining to funds received from the Chinese government, Chinese government-affiliated entities, and Chinese universities. New disclosure rules should mandate that all funds be attributed to named donors. As part of this initiative, the threshold for the reporting requirement under Section 117 of the Higher Education Act of 1965 should be lowered from \$250,000 to \$5,000. Full details of those transactions should be made public except under defined circumstances.

Craig Singleton

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- Congress should require the U.S. Department of Education to put necessary information-sharing arrangements in place with law enforcement and intelligence agencies to provide those agencies with all Section 117 data U.S. universities shared to date with the U.S. government.
- Universities should be required to vet with a competent organ of the U.S. federal government incoming contracts and gifts for which they have a reasonable basis to believe could be coming from sources in or affiliated with the People's Republic of China.

Establishing Legal and Regulatory Guardrails

- Congress should pass legislation to withhold certain types of federal funding from any U.S. university or other institute of higher education that maintains a contractual or formal relationship with any Chinese university contained in the Defense Department's annual published list of Chinese, Russian, and other countries' research institutes that support their respective defense industrial base, as outlined in Section 1286 of the FY19 NDAA.
- As appropriate, the Commerce Department should consider adding to the Entity List the Chinese universities included on the DoD's university threat matrix.
- Congress should consider passing targeted legislation to bar U.S. universities from accepting grants or participating in partnerships or agreements with certain academic institutions in "countries of concern" unless specific conditions are met. Similar legislation recently enacted in Florida (SB 846), passed unanimously in the Florida House and Senate, should serve as a model for similar federal-level legislation.
- The State Department should expand the grounds for denying undergraduate and graduate visas to Chinese students and researchers from Chinese universities that are designated on the DoD's university matrix or the U.S. Entity List or who have otherwise been determined by the U.S. government to maintain ties to China's military-industrial complex. Such moves would institutionalize Presidential Proclamation 10043, which sought to limit the ability of graduate students affiliated with MCF-related universities to study in the United States.
- Federal legislators should re-introduce legislation that bans all CI operations. This legislation should account for Chinese government efforts to rename and rebrand its CI programming to evade enhanced legal and regulatory scrutiny.
- Congress should evaluate opportunities to empower the U.S. Department of Education to better investigate and enforce Section 117 non-compliance. At present, Section 117 imposes no penalty on institutions that fail to comply with its reporting requirements, making the threat of a potential investigation the only deterrent to non-compliance.

- Congress should evaluate opportunities to enhance “administrative hygiene” at U.S. universities. Reconsideration should be given to certain provisions stripped from the U.S. Innovation and Competition Act that required certain contracting records be kept and certain administrative standards to be met with respect to foreign contracts and gifts.
- Congress should evaluate new legislation that requires U.S. institutes of higher education to maintain policies regarding conflicts of interests and to track foreign gifts and contracts involving their staff. Such legislation should also mandate implemented practices to identify and manage potential information gathering by foreign sources connected to gifts or contracts. Such moves would mandate processes that some, but certainly not all, U.S. universities presently perform.
- Congress should consider legislation aimed at pressuring large university endowments to remove from their portfolios Chinese entities deemed a threat to U.S. national security. Such measures could impose excise taxes on such investments when they are acquired and a 100 percent tax on gains realized from such investments. These new measures could, as an initial step, be tailored to apply to university endowments worth more than \$1 billion, of which there are only a few dozen.
- Congress should consider legislation that aims to crack down on the proliferation of CSSAs across the United States, including potential funding restrictions for U.S. universities that elect to maintain CSSA branches or permit them to operate on their campuses.

Better Educating Universities and Establishing Alternatives

- Consideration should be given to establishing a federal government office that U.S. state and local governments and nongovernmental institutions could approach for advice on how best to manage Chinese requests for engagement and partnership. This office could also provide confidential background on the affiliations of Chinese individuals and organizations to party and state institutions.
- Consideration should be given to establishing formal mechanisms for the U.S. Department of Education, in coordination with other relevant U.S. agencies, to share relevant intelligence, insight, best practices, and trends with select foreign partners similarly working to confront malign adversarial influence throughout their higher education systems.
- Congress should allocate greater programmatic resourcing to the National Counterintelligence and Security Center to bolster its existing efforts to conduct outreach to U.S. academic communities to arm them with information about foreign intelligence threats to their organizations and ways to mitigate risk.
- The departments of State and Education should establish a working group to facilitate the opening of additional Taiwan Centers for Mandarin Learning (TCMLs) on U.S. college

Craig Singleton

July 13, 2023

campuses. Unlike CIs, TCMLs, are overseen by Taiwan's Overseas Community Affairs Council and offer a free, democratic, and diverse learning environment for language training.

- To help offset the potential costs associated with increased TCMLs, Congress should make funding available to U.S. institutions of higher education to support TCML operations. Such funding should be contingent upon the U.S. universities shuttering their CIs and/or terminating all partnerships with Chinese universities with documented links to China's defense establishment (as established by the proposed DoD university threat matrix and the Commerce Department's Entity List).

Chairman OWENS. Thank you, Mr. Singleton, appreciate that. Okay. Under Committee Rule Number 9, we will now question the witnesses under the 5-minute rule. I will begin the process. Mr. Moore, one excuse we hear from schools is that tracking foreign

funds seems to be too difficult. Hearing how well universities seem to track athletic booster contributions, or which students without outstanding tuition and fees are due, we find that response somewhat hard to believe.

During your investigations did you find that it was truly difficult for schools to identify and track foreign contributions?

Mr. MOORE. Mr. Chairman, our investigations found that the universities had the information we wanted readily in hand, but they were extremely reluctant to provide it to us.

The idea that it presented an additional burden to them, they were already—our investigations revealed that they were already very systematically tracking foreign contracts, foreign gifts, and of course pursuing donors around the world with great vigor as you might expect.

It was not an issue where the universities would have had to have set up new mechanisms. They could simply have made an effort to tap the information they were already collecting and producing, and provide that accurately to the Department as required by Section 117.

Chairman OWENS. Thank you. Actually, I am going to ask both you and Mr. Singleton this question. I think you kind of addressed this somewhat in your opening statement, but I want to just make sure we have this.

We are engaged with the battle against foreign bad actors whose goals are to undermine our American culture of freedom. It turned our students against a free market system and steal our intellectual properties, but there are also domestic actors in our educational system willing to grant these foreign actors safe harbor on our college campuses.

What suggestions—I think you highlighted some of these things before, would you say to hold these domestic actors accountable when the Department of Education refuses to take action?

Mr. MOORE. Well, I think that the Office for Civil Rights at the Department of Education ought to be very cognizant of pressure from the Chinese Communist Party that's applied in the United States to students particularly of Chinese descent. That's a big issue, and an ongoing issue.

It has been an issue at Fordham and other universities, and frankly the university, excuse me, the Department ought to be extremely aware, and ought to have a way to facilitate investigations of that sort of pressure from entities acting on behalf of the CCP.

Chairman OWENS. Mr. Singleton, do you have any suggestions on that also?

Mr. SINGLETON. Sure. I mean collaboration is vital, but China has proven adept at exploiting America's academic openness and dynamism to advance its intertwined industrial policies and military expansion. Passing legislation to prevent potential conflicts of interest on campus is essential, hiking student screening, and in some cases outright denials for individuals in certain state-run institutions in China's military.

In particular, holding hearings like this, but establishing Federal Government office, and American State and local governments and non-governmental organizations can approach for advice on how to

best manage some of these requests, and how to manage and learn from the experiences of other universities across the country.

Chairman OWENS. Okay. Thank you. Mr. Singleton, now one of the loopholes we have seen abused is the 501(c)(3) system to circumvent their foreign rules. Foreign regimes can prop up non-profits, use them to funnel money to college campuses. On the other side, colleges will sometimes see foreign donations through an affiliated university foundation, and then not report those contributions. Can these loopholes be addressed?

Mr. SINGLETON. Absolutely. I mean non-profits and mirky corporate donations are a big threat, and so are gifts and donations from State backed, or state-owned companies, and state-owned enterprises in China, not to mention individuals acting as cut-outs for authoritarian regimes.

The current law only requires disclosure if the donor is a foreign government. This is a loophole that invites authoritarian governments to make gifts through third parties, and the CCP, the Chinese Communist Party uses third-party intermediaries for these types of operations, including espionage efforts. That is why they documented it. It is a staple of their political and economic force abroad. Increased transparency is the answer.

Chairman OWENS. Thank you. I am going to now recognize the Ranking Member for purposes of questioning the witnesses.

Ms. WILSON. Thank you, Mr. Chair. This question is for you, Mr. Yang. In 1960, America's Federal funding represented 45 percent of all global research and development funding across the world. Today, that funding is only 10 percent of global funding. Why is Federal funding of research important? What can the Federal Government do to continue supporting that research?

Mr. YANG. Thank you very much for that question. Federal funding is critical to advance in all of the fields that we are talking about. Let us be clear. The vast majority of the funding goes to open research. Open research leads to the discoveries that we see, whether it is in science, whether it is mathematics, whether it is even in literature or history.

If we are trying to really advance the American system, we need to continue that open and collaborative process. I agree that transparency is necessary, but we need to make sure that transparency is narrowly tailored to the issues at hand. Make sure that our universities are able to comply in a simple manner.

The other thing that I am concerned about is as we are moving along in this, if we are going to be changing standards, we need to make sure not to have retroactive application of those standards so that universities or individuals get caught up in the process.

Ms. WILSON. Thank you. Can you discuss the economic and social value of bringing in scholars from across the globe into the American higher education system?

Mr. YANG. Thank you very much. Certainly, there is a huge economic value in the neighborhood of tens of billions of dollars that goes into our U.S. economy from international students as whole. Then beyond that is the soft value that we have of introducing them to our American system.

I am challenged, and I would posit that our universities are still succeeding in that. Frankly, if anything, the numbers tell us that

the sentiment against Asian Americans, Chinese Americans, is at an all-time low. To the extent that propaganda is trying to cause American students to look against the United States, or look toward China, that propaganda is failing.

The fact that one in four Americans believe that Asian Americans hold a dual loyalty is very problematic, and so we must continue to encourage those cultural exchanges, so that the next generation beyond us can find ways to find the common humanity in all of us.

Ms. WILSON. Can you tell us what impact does harmful rhetoric and misinformation have on collaborations with international educational institutions?

Mr. YANG. Literally, my organization and sister organizations of ours hear almost every day about professors and students that are no longer willing to come to the United States. These are professors and students that have so much to offer to our country. Again, I am not even necessarily talking about sensitive areas, like nuclear secrets, or military industrial complex issues, but basic collaboration that is being lost.

They are going to other countries. If we are talking about a potential brain drain to this country, that is something that we have to solve as well.

Ms. WILSON. Thank you. Mr. Moore, in my home State of Florida the University of Florida's agroecology program partners with several international schools including the Hebrew University of Jerusalem.

These research partnerships are crucial to promoting mutually beneficial research at higher education institutions, but the calls in your testimony to increase enforcement of Section 117 has the potential to foster a hostile environment for future international research.

Can you please explain to this Committee how these draconian enforcement measures will not discourage collaboration with international research partners?

Mr. MOORE. Thank you, Congresswoman. I think Section 117, and anything that I have mentioned today to strengthen it would—it is simply again, disclosure. It would not do anything to inhibit money from China, money from Israel, money from anywhere. Those relationships can continue. Contracts can continue, new ones can be made. Billions of dollars can continue to come in.

There is no limitation on that in anything that I have said, or anything that Section 117 currently says. It simply has to be disclosed. My view is that the American people are entitled to that information, and policymakers should be informed by that information too.

That should not be any kind of threat to collaborations if there is a nefarious donor, or collaborator, and it scares off that collaboration, then I think that is probably a very good thing. In the case that you mentioned, I do not think that would be an issue. Thank you.

Ms. WILSON. I yield back, thank you.

Chairman OWENS. Thank you. I would now like to recognize Mr. Takano.

Mr. TAKANO. Yes. Mr. Chairman, I just would like to begin with a bit of a pushback on some of your opening comments in regards to the statements you made about Biden, and he just does not get it. We have heard that you all believe that the Department of Education is lax in its enforcement of Section 117.

In reality, though it is the Department's most recent data and contains tens of thousands of entries from hundreds of colleges and universities. It seems to me that the Department is communicating with colleges and universities about how important it is to report any grants and contracts from foreign sources.

In addition, colleges and universities have gotten the message that they are making great strides in reporting this information in accordance with the law. While the prior administration was focused on a few bad actors, this administration is providing guidance and support to colleges and universities to help ensure compliance with the law, which is what everyone wants.

Mr. Moore, you said in your testimony you cited a bipartisan Senate report that 70 percent of all colleges in U.S.—of all U.S. colleges and universities failed to report. Do you still believe that to be true?

Mr. MOORE. Congressman, that was according to the report from that we—

Mr. TAKANO. You just are repeating a report that was issued in 2017?

Mr. MOORE. That was in 2020.

Mr. TAKANO. 2020.

Mr. MOORE. October 2020.

Mr. TAKANO. 2020.

Mr. MOORE. I do not know what the current figures are. I do not have access to them.

Mr. TAKANO. Okay. In fact, that number could be misleading. It could not be accurate. It might not be accurate right now.

Mr. MOORE. I cited the data in my testimony, but it may have changed, absolutely.

Mr. TAKANO. It could be changed. That 70 percent, is that just in reference to reporting on, you know, grants and contributions from China, or might other authoritarian nations also be a part of a concern of ours?

Mr. MOORE. Many, Congressman. You are right to mention that, and I mentioned in my testimony Russia, Qatar, Saudi Arabia, there are many nations. This is not an Asian focus, or a China focus concern. This is all the world.

Mr. TAKANO. Might it be productive for us to have a hearing, not just on China, but on the influence of all maligned potential nations out there that are authoritarian and might have an interest in influencing our universities?

Mr. MOORE. I think that is a wonderful idea, Congressman.

Mr. TAKANO. Great. Mr. Singleton, is this third-party entity loophole only a problem for China, or do other nations potentially contribute or find ways to get money to universities through these mechanisms of third parties?

Mr. SINGLETON. Sure. I mean friends and foes alike take advantage of those sorts of loopholes, which is why we should apply the standard evenly across.

Mr. TAKANO. I am curious about this sole focus on China of this hearing when we have other authoritarian nations that pose these issues. Mind you, I am concerned about China's authoritarianism, but I am also concerned about authoritarianism in general.

I am going to suspect that it has something to do with how the previous administration dealt with China, and I think in a very clumsy way. Mr. Chairman, I would seek unanimous consent to enter into the record a political article entitled, 15 Times Trump Praised China as Coronavirus was Spreading Across the Globe.

Just to give you a flavor, there are 15 entries here from January 22 through February when the virus was clearly a posing problem, but under appreciated by the President then.

He says one of the great many things about our just-signed giant trade deal with China is that it will bring both USA and China closer together in so many ways. Terrific working with President Xi, a man who truly loves his country. More to come.

January 24th, China has been working very hard to contain the virus. The United States greatly appreciates their efforts in transparency. It will all work out well. It goes on and on and on. Mr. Chairman, I would like to enter this into the record.

Chairman OWENS. No objection.

[The information of Mr. Takano follows:]



CORONAVIRUS

15 times Trump praised China as coronavirus was spreading across the globe

The president has lambasted the WHO for accepting Beijing's assurances about the outbreak, but he repeated them, as well.

8/15/23, 9:39 AM

15 times Trump praised China as coronavirus was spreading across the globe - POLITICO



President Donald Trump. | Pete Marovich/Getty Images

By **MYAH WARD**

04/15/2020 06:27 PM EDT



President Donald Trump yanked U.S. funding for the World Health Organization on Tuesday, complaining that the United Nations public health agency was overly deferential to China and had put too much faith in Beijing's assertions that it had the coronavirus outbreak there under control.

"Had the WHO done its job to get medical experts into China to objectively assess the situation on the ground and to call out China's lack of transparency, the outbreak could have been contained at its source with very little death," the president said Tuesday. "Instead, the W.H.O. willingly took China's assurances to face value."

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<https://www.politico.com/news/2020/04/15/trump-china-coronavirus-188736>

2/9

POLITICO has compiled a list of 15 times the president hailed China for its push to prevent a pandemic in the early months of 2020 — an effort that ultimately failed:

Jan. 22, [Twitter](#):

“One of the many great things about our just signed giant Trade Deal with China is that it will bring both the USA & China closer together in so many other ways. Terrific working with President Xi, a man who truly loves his country. Much more to come!”

Jan. 24, [Twitter](#):

“China has been working very hard to contain the Coronavirus. The United States greatly appreciates their efforts and transparency. It will all work out well. In particular, on behalf of the American People, I want to thank President Xi!”

Jan. 29, [Remarks at signing ceremony for the United States-Mexico-Canada Agreement](#):

8/15/23, 9:39 AM

15 times Trump praised China as coronavirus was spreading across the globe - POLITICO

“And, honestly, I think, as tough as this negotiation was, I think our relationship with China now might be the best it’s been in a long, long time. And now it’s reciprocal. Before, we were being ripped off badly. Now we have a reciprocal relationship, maybe even better than reciprocal for us.”

AD

Jan. 30, Fox News interview:

“China is not in great shape right now, unfortunately. But they’re working very hard. We’ll see what happens. But we’re working very closely with China and other countries.”

Feb. 7, Remarks at North Carolina Opportunity Now Summit in Charlotte, N.C.:

“I just spoke to President Xi last night, and, you know, we’re working on the — the problem, the virus. It’s a — it’s a very tough situation. But I think he’s going to handle it. I think he’s handled it really well. We’re helping wherever we can.”

Feb. 7, Twitter:

“Just had a long and very good conversation by phone with President Xi of China. He is strong, sharp and powerfully focused on leading the counterattack on the Coronavirus. He feels they are doing very well, even building hospitals in a matter of only days ... Great discipline is taking place in China, as President Xi strongly leads what will be a very successful operation. We are working closely with China to help!

Feb. 7, Remarks before Marine One departure:

“Late last night, I had a very good talk with President Xi, and we talked about — mostly about the coronavirus. They’re working really hard, and I think they are doing a very professional job. They’re in touch with World — the World — World Organization. CDC also. We’re working together. But World Health is working with them. CDC is working with them. I had a great conversation last night with President Xi. It’s a tough situation. I think they’re doing a very good job.”

Feb. 10, Fox Business [interview](#):

“I think China is very, you know, professionally run in the sense that they have everything under control,” Trump said. “I really believe they are going to have it under control fairly soon. You know in April, supposedly, it dies with the hotter weather. And that’s a beautiful date to look forward to. But China I can tell you is working very hard.”

Feb. 10, campaign rally in Manchester, N.H.:

“I spoke with President Xi, and they’re working very, very hard. And I think it’s all going to work out fine.”

Feb. 13, Fox News [interview](#):

“I think they’ve handled it professionally and I think they’re extremely capable and I think President Xi is extremely capable and I hope that it’s going to be resolved.”

Feb. 18, remarks before Air Force One departure:

“I think President Xi is working very hard. As you know, I spoke with him recently. He’s working really hard. It’s a tough problem. I think he’s going to do — look, I’ve seen them build hospitals in a short period of time. I really believe he wants to get that done, and he wants to get it done fast. Yes, I think he’s doing it very professionally.”

AD

Feb. 23, remarks before Marine One departure:

“I think President Xi is working very, very hard. I spoke to him. He’s working very hard. I think he’s doing a very good job. It’s a big problem. But President Xi loves his country. He’s working very hard to solve the problem, and he will solve the problem. OK?”

Feb. 26, remarks at a business roundtable in New Delhi, India:

“China is working very, very hard. I have spoken to President Xi, and they’re working very hard. And if you know anything about him, I think he’ll be in pretty good shape. They’re — they’ve had a rough patch, and I think right now they have it — it looks like they’re getting it under control more and more. They’re getting it more and more under control.”

Feb. 27, Coronavirus Task Force press conference:

“I spoke with President Xi. We had a great talk. He’s working very hard, I have to say. He’s working very, very hard. And if you can count on the reports coming out of China, that spread has gone down quite a bit. The infection seems to have gone down over the last two days. As opposed to getting larger, it’s actually gotten smaller.”

Feb. 29, Coronavirus Task Force press conference:

8/15/23, 9:39 AM

15 times Trump praised China as coronavirus was spreading across the globe - POLITICO

“China seems to be making tremendous progress. Their numbers are way down. ... I think our relationship with China is very good. We just did a big trade deal. We’re starting on another trade deal with China — a very big one. And we’ve been working very closely. They’ve been talking to our people, we’ve

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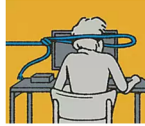
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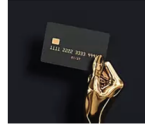
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Mr. TAKANO. Several months later, when it was not going so well in the United States to manage it, he starts saying things like Kung Flu, the China virus, which tremendous boomerang effects on Asian Americans because as an Asian American, I know what it feels like when one of the Asian ethnicities is singled out for scapegoating.

Then there is a generalized hatred that spreads throughout all Asian Americans. Mr. Chairman, I just wanted to make that point. I yield back.

Chairman OWENS. Thank you so much. I just want to make sure we also clarify that the hearing is really about the infiltration of bad actors throughout college systems, and also the transparency for funding of that, so kind of have to be one of them, but there are others, and we are going to make sure we address them all. I would like to have Mr. Good, please.

Mr. GOOD. Thank you, Mr. Chairman. First, a couple of questions would be for Mr. Moore here. Mr. Moore, the University of Pennsylvania, you know where this is going, which runs the Penn Biden Center in Washington, DC. reportedly received 14 million from unnamed contributors in China and Hong Kong, and 2.4 million from unnamed contributors in Saudi Arabia. There is another country, Saudi Arabia since 2021.

The names of these donors are concealed by the Department of Education, which is required to report donations to universities that have funds with Federal dollars, but the agency has reportedly declined every request to provide the names. Mr. Moore, according to these reports, again the Penn Biden Center having received millions of dollars from unnamed foreign influence, should the American public be concerned about that?

Mr. MOORE. Thank you, Congressman. I think that the American public should be very concerned about the undisclosed donor identities to UPenn particularly leading up to the Presidential election in 2020. It was after the establishment of the Biden Center that there was a very dramatic increase, so I think reportable gifts and contracts were up 389 percent between 2018 and 19.

Meanwhile, I think 9 of the current administration officials were on the payroll of the UPenn Biden Center. UPenn—this goes in my opinion to the question of requiring the donor identities be made available as part of disclosure. Disclosure is somewhat meaningless if the donor identities are not provided, so the American people and policymakers can know who is giving what to whom.

UPenn is not alone. There are many other universities with similar patterns where it appears that there is an attempt to influence policymakers, but this was a rather startling one with UPenn. That is why I think that donor identity should be disclosed.

Mr. GOOD. Just one of the offices where classified documents have been found that belong to Mr. Biden, by the way. Mr. Singleton, the reports are that 6.5 billion in previously unreported foreign money has went to universities from adversarial countries—6.5 billion. 8.4 billion anonymously reported foreign money over the last decade, 800 billion is the total endowment of the market value of the endowment of the United States institutions of higher learning, by the way.

807 billion is the endowment, and yet we have got 1.6 trillion outstanding student loans with exorbitant increase in college tuition. In your testimony you mentioned how university endowments are increasingly under foreign influence. Could you speak to that a little more, or elaborate on that please?

Mr. SINGLETON. Absolutely. Currently there are no restrictions whatever on U.S. university endowments from investing in Chinese companies that are directly involved in Chinese military civil fusion.

There are numerous examples of endowment funds being injected and capitalized into Chinese companies that are directly involved in developing advanced technologies that are used to propagate the weaker genocide, for example. It is very little insight in accountability into how these endowment funds are being managed, what is their exposure to China, and certainly what linkages and dependencies are created as a result of those endowment relationships that do create undue burdens and adversarial pressure, not just on the endowment funds themselves, but the universities.

Mr. GOOD. Why do you think that universities with the largest endowments tend to be the worst offenders with complying with Section 117, the reporting of the foreign donations?

Mr. SINGLETON. Well, I would say that you know, the key rate is updating and expanding mandatory reporting requirements because it will simply conform with the realities that foreign influence plays on the university system, including endowments. Universities run the risk of entanglement with the Chinese Communist Party in large part because they rely on these opaque funding and endowment systems from party connected sources that includes gifts, donations, investments, Confucius institutes, and research partnerships.

Mr. GOOD. Staying with you, Mr. Singleton. In one of his first national security related acts, President Biden a year and a half ago withdrew—or two and a half years ago I should say, withdrew a Trump era rule requiring universities to disclose their terms of agreements with Confucius institutes, which of course act as Chinese Communist Party outposts on college campuses. Why do you think he would do that?

Mr. SINGLETON. I am not sure.

Mr. GOOD. Can you think of any good reason to do that?

Mr. SINGLETON. I am not sure. I think it is worth of pursuit in terms of investigation and hearing simply because we know that Confucius institutes operate as outposts for China's united front work department, which plays a key role in its political warfare.

They have also, and there are numerous examples of Confucius institutes and their follow-on successors, sometimes referred to as Confucius classrooms being harnessed to intimidate Asian American students studying here in the United States, to control curricula that are used and propagated on U.S. college campuses, and to control how research initiatives that are developed as a result of these funds.

I think that while the number of Confucius institutes has dropped precipitously from 113 to about 10 today, the problem is that we have seen this proliferation of Confucius institute like agreements, and frankly no one has been able to sort of understand

the scale and scope of that problem because there is no information.

Mr. GOOD. Mr. Singleton, my time has run out. I am getting tapped out here, so thank you for your time. I appreciate you being here today. I yield back, Mr. Chairman.

Chairman OWENS. Thank you. I now recognize Dr. Adams.

Ms. ADAMS. Thank you, Mr. Chairman, and thank you to our Ranking Member as well, and to the witnesses. Thank you for your testimony, and Mr. Singleton, as I was listening to you talk about the endowments, et cetera, I am not going to ask you a question, but if there is data available, I sure would like to get copies of it.

Let me just begin when establishing foreign influence compliance that protocol, institutions of higher education have to balance compliance and create a welcoming campus climate. I am a retired 40-year college professor, so I do have an interest in that, but I am pleased at seeing how many institutions take this dual responsibility seriously.

At Florida International University, for example, established a university-wide task force on foreign influence and global risk. Mr. Yang, can you discuss briefly the value of incorporating community stakeholders when developing policies around foreign influence and international research collaboration?

Mr. YANG. Thank you for that question. It is absolutely vital for the community to be involved. Right now, what we are seeing is the community is scared to speak up about issues such as this because they feel like they are being targeted, whether it is scientists in the university space, whether it is students that are thinking about applying to universities here in the United States, there is a clear chilling effect that is happening because of this rhetoric that is being used.

I respect what Mr. Singleton is saying, but I must take issue a little bit with the focus again on China. It is yes, there are issues with respect to transparency, but if we are focusing just on what the Chinese government is doing, what the Xi Jinping government is doing, then we are missing the forest for the trees.

Yes, we should be talking about transparency. We should talk about accountability, but it should be the accountability for all countries, all different foreign influence.

Ms. ADAMS. Okay. Thank you, sir. Can you discuss best practices for engaging within international academics in a way that maintains relationships and protects international scholars from racial discrimination?

Mr. YANG. Thank you for that. Part of this is setting clear standards, and I see with respect to NSP M33, which was promulgated by the OSTP, trying to standardize guidance with respect to research grants, what is necessary to be reported. I agree with Mr. Moore that Section 117 could be a very useful vehicle, but make sure that we have standard forms that should be used.

One thing I would want to be careful about is the enforcement mechanism, whether investigators are trained on how to investigate these issues, and what the enforcement actually is. Too often we have seen Asian American scientists have basically paperwork errors turn into criminal prosecutions when they should be handled as an administrative matter.

Ms. ADAMS. We know that maintaining academic openness and collaboration in academia allows us to engage with bright individuals from all over the world, and if there are threats against national academics, it prevents amazing talents from working with our universities.

Let me ask you, Mr. Yang, in what ways has the Asian Americans Advancing Justice worked to combat issues of racial discrimination?

Mr. YANG. While combating racial discrimination as a whole, it is really an all effort. First, is making sure that we are teaching history in our schoolrooms on Asian American history, and making sure that all of the different communities are represented, whether they are African American, Latino American, LGBTQ Americans.

Part of this is making sure that everyone is comfortable telling their own stories. Part of this is making sure that scientists and researchers of students are comfortable talking to law enforcement. Even if they make an administrative error like Sherrie Chen did, in saying that she had a contact with a Chinese person in 2011, rather than 2012.

That does not become criminalized behavior. Making sure that we are specific about how we are engaging with the community, consistent engagement, not only from the law enforcement end, but from the get-go in terms of creating these standards that we're talking about.

Ms. ADAMS. Thank you, sir. You mentioned in your testimony that MIT, Yale University, Stanford for example, and at least eight other institutions have issued statements detailing their concerns with the targeting of Chinese scientists, and academics. Can you just explain briefly, we just have about 20 seconds, on the investigations against people of Asian descent and how they may affect the number of academics that engage with our universities?

Mr. YANG. For those universities, some of them are afraid of hiring them, and some of them are afraid of engaging with them and collaborating with them because they fear that they're going to have additional burdens imposed upon them, or have their behavior be criminalized.

Ms. ADAMS. Great. Well, thank you. Mr. Chairman, I am right on time. I yield back.

Chairman OWENS. Thank you. I would like to now recognize Mr. Thompson from Pennsylvania.

Mr. THOMPSON. Thank you, Mr. Chairman. Thank you for holding this important hearing, and thanks to all of our witnesses for your testimony. The research and innovation in American universities is clearly the envy of the rest of the world, and for good reason.

From developing groundbreaking treatments for cancer, to advancements in precision agriculture that help feed the world. American institutions of higher education are truly on the cutting edge. As the old saying goes, however, with great power comes great responsibility.

The foreign adversaries like China and Russia increasingly falling behind in certain sectors, they are looking to steal American research and innovation to help make up those losses. It is imperative upon all of us to ensure that does not happen. Mr. Moore, in

your testimony you noted the extensive issues the Department of Education has had in processing, investigating, and enforcing Section 117 reporting requirements.

There is an awful lot of data coming into the Department under these requirements, and especially given your experience as Chief Investigative Counsel at the Department, do you think the Department has the capacity to properly process all this incoming information?

Mr. MOORE. Thank you, Congressman. I think that is a very good question. First, I want to say there are some career folks at the Department of Education and the Office of General Counsel, particularly that do a superb job in American, that can be proud of them. Having said that, most of the Department of Education is not suited to review financial records coming in from departments, or to engage in the necessary vetting of collaborations, or to advise other Federal agencies on those fronts.

I think that it may be something, particularly if the department cannot show that it is serious about enforcing the Section 117 that Congress may want to look at whether or not enforcement of these disclosures needs to go to an agency that has actually got America's national security interests as one of its tasks, and also has the competency to study financial relationships between universities and the documents they report, and in our other countries and entities acting on behalf of other countries.

Mr. THOMPSON. Thank you for that. In your testimony, you noted that the Department should immediately return enforcement obligations to the Office of General Counsel. How do you believe that that would improve enforcement and processing capabilities?

Mr. MOORE. In a word, the Office of the General Counsel is full of attorneys, and so universities take that a little bit more seriously because they have huge staffs, I mean Harvard—the other universities that we investigated have massive staffs full of very able counsel.

At a minimum, to have moved enforcement to the Federal student aid where they do not have attorneys, they are not suited for that. They are not armed to do battle with counsel for the university, or they will offer them to the university it pertains. It is just that universities have no reason to take it seriously when they are facing Federal student aid, instead of at least the office of the General Counsel.

Mr. THOMPSON. Given the current challenges, Mr. Moore, do you think expanding reporting requirements would yield any different results than the current requirements, or are there other ways we can target the kinds of malicious activities their adversaries are engaging in, or would it be more effective to limit new actions to just countries of concern?

Mr. MOORE. Thank you, Congressman. I think there should be heightened concern about the countries that have all but declared war against the United States. The CCP certainly is one of them, and I think that simply enforcing what is currently on the books, particularly with regard to prohibiting the anonymizing of donors is critically important because then we can at least know who made that 14.8-million-dollar contribution, in May 2018 to UPenn from China. Who was that?

Do they have an interest in the People's Liberation Army, or other CCP entities that are very unfriendly to the United States. I mean, I think right now it is very important to enforce Section 117 as it is and tighten it up. The Department could tighten it up tomorrow and say no anonymizing of donors. They could do that in a heartbeat if they chose, and I hope that Congress can act at least on that.

Mr. THOMPSON. Well, thank you. I look forward to working with all of you to ensure we protect American innovation and keep our competitive edge on the global stage, so I thank you, Mr. Chairman, and I yield back.

Chairman OWENS. Thank you. I would like to now recognize Ms. Manning.

Ms. MANNING. Thank you, Mr. Chairman. Mr. Yang, in the 1950's Congress participated in a shameful episode known as the second Red Scare when fear of foreign Communists infiltrating our society and our government resulted in many unfounded accusations and prosecutions, but in part, by Republican Senator Joseph McCarthy that led to the ruin of countless American lives.

That is a part of our history that kept coming to my mind last night as I was reading the briefing materials for today's hearings. As we know, we have a long history in this country of anti-Asian discrimination, which was exacerbated by the way our former President talked about the COVID pandemic and much of the China bashing that was normalized by his colleagues, and resulted in horrifying attacks on Asian Americans, including our highly valued colleague, Congresswoman Judy Chu.

Mr. Yang, how can we address real risks to our intellectual capital and our national security without allowing anti-Asian discrimination that should be an anathema to all Americans, and is contrary to the fundamental foundations of our democracy.

Mr. YANG. Thank you very much for that question. Narrative is key in the first instance. Once we engage in overblown narrative that results in bad policies. As one example would be the discriminatory land laws that have passed in Florida recently.

Yes again, we do have national security concerns with the Chinese government, but to result in land laws where Chinese citizens are not allowed to own property in this country just solely on this baseless fear is the type of sledgehammer that I am talking about, rather than using a scalpel. We should be thinking about what precisely are the policy risks that we are talking about, whether it is with respect to solar energy, whether it is in respect to artificial intelligence.

Whether it is just with respect to semiconductors, and address those policy issues, and not just engage in a broader narrative of the Chinese are declaring war against us. The broader narrative that we are in an existential threat with China. The other thing that strikes me about your analogy to the 1950's that is striking, is that even if in the 1950's where we had the Red Scare, average Russian citizens were not generally targeted.

Average Asian Americans are being targeted right now, and that is what we are seeing. Whereas during the height of the Communist era, we still refer to it as a communist regime. We talked

about the Putin regime. Now we just talk about the Chinese, or maybe we talk about the Chinese government, or the CCP.

Yes, Xi Jinping is an autocrat. We can talk about that. We can talk about those specific policies. Let us talk about those policies and not a society and not a people.

Ms. MANNING. Mr. Yang, as we look to the future and increasing economic and potential military competition with China, many experts say that the most important thing we can do is continue to invest in our people, our education, and our ability to innovate, which has long been the envy of the world. I believe one of our superpowers is our ability to attract the best and the brightest from around the world to come study in the U.S. and oftentimes live and work in the U.S.

What impact do you believe it will have on our country if we fail to attract the best and the brightest from around the world to come study and work in the U.S.?

Mr. YANG. Thank you for that. It is absolutely correct that there are Asian Americans, not just Chinese Americans, but Asian Americans, and frankly people from around the country, around the world that no longer see the United States as the open society that it used to be, the society that would value that innovation, value having open discussions, and that is what we need to get back to, to understand that that is how we become stronger.

The fact that I could represent the American government and the Department of Commerce when I am negotiating against Chinese people on the other side and represent our country. That is the strength of our country. That is what makes us special, and we should celebrate that.

Ms. MANNING. Thank you. Let me just mention that I was recently on a congressional trip to Japan, and one of the issues that was raised was the fact that Japanese students are no longer coming here to study in our universities, and that is a loss to our country, but it is also a loss to the strong relationship that is currently so important between the U.S. and Japan, and with that I yield back.

Chairman OWENS. Thank you. I would just like to also remind my friends on the other side of the aisle that we are talking in this hearing about the infiltration of bad actors into our system, \$6.5 billion of undisclosed funds, that is something that America should know about. Where would that money go? That is what we are trying to find out. Then I would like to introduce or acknowledge Mr. James.

Mr. JAMES. Thank you, Mr. Chairman. Mr. Singleton, it is clear that CCP is aggressively expanding its military presence, but even more so, it is influence throughout the globe. What is even more concerning is its reach within the United States and on our borders. That is why I introduced the No American Tax Dollars to the CCP Act, which prevents the CCP from profiting off of us.

From building their middle class on the backs of ours and building their military on the backs of ours. Unfortunately, higher education seems to be a tougher mountain to climb. Without checks—reasonable checks, checks that apply to the people who are sitting in this room, my colleagues as well who have to report all of our

financial disclosures and cannot accept foreign donations, there are lower standards.

Lower standards for those who have the public trust and taxpayer money in our university. Our top universities continue to send hundreds of millions of dollars-worth of valuable military and scientific research straight into the CCP's hands. This will only be used to undermine our stature and influence around the world.

Now this should not be conflated or confused with our great need to be that beacon of hope, that light, that shining sitting on the hill, that destination for innovation and education goes around the world. At the same time, we cannot be taken advantage of. We have an obligation to protect the American people and our interests at home and abroad.

Americans cannot own property in China, so why then is the CCP taking advantage of Americans? Mr. Singleton, your opinion sir, how does stolen research from our universities negatively affect America's effort internationally?

Mr. SINGLETON. Sure. Absolutely. I would agree with Mr. Yang that targeted and tailored enforcement is essentially. Make no mistake, China is the worst offender in terms of intellectual property theft and tech transfer threat in the world. Now collaboration between the U.S. and China based on transparency and shared values can be incredibly valuable.

China has not been transparent about its military buildup, and it has harnessed technology specifically developed by U.S. universities to subjugate and persecute its ethnic minorities. What is more, China's civilian university system plays a major role in China's military industrial complex, including its nuclear and cyber espionage programs.

The CCP has specifically ordered civilian universities and their students to integrate into "the military civil fusion system, and to advance the two-way transfer and transformation of military and civilian technological achievements." These types of collaborations simply require enhanced due diligence above and beyond standard practices.

On this front, there is ample opportunity for Congress.

Mr. JAMES. Thank you for that. For my colleagues across the aisle who took great pains to educate all of us and took great offense to all lives matter over the past few years, our failing to give the American people enough credit to recognize that we can nuance the argument between CCP, who are adversaries, and Asian Americans who are our brothers.

In your testimony you mentioned the need for our programs not funded by the CCP to equip future generations with key international skills like language learning and global expertise. How do you envision these programs, and how can a district like mine, a No. 1 manufacturing district in the Nation, a blue-collar district whose schooling focuses heavily on CTE and STEM.

How can we keep pace with some of these expectations?

Mr. SINGLETON. Absolutely. China has made absolutely and abundantly clear its focus on obtaining cutting edge information, both through illicit means, but also through routine exchanges in the academic and research space to advance its great power ambitions. The good news, if there is any here, is that there are tremen-

dous opportunities and tremendous resources available to local stakeholders to freely investigate, and sort of conduct routine due diligence on their Chinese partners.

The best one is the Australian Strategic Policy Institute has a Chinese university tracker that is entirely free. It is a free tool that helps universities and researchers understand the length between Chinese universities and China's military. Local FBI offices are also heavily involved in monitoring this threat.

Think tanks like mine, and other research institutes collaborate with universities on a regular basis to help develop repeatable vetting models that allow them to evaluate whether a research partnership is a true threat, or whether you know, it is going to enhance American competitiveness, and deepen person to person ties.

Mr. JAMES. Thank you. I am sorry to cut you off. I appreciate that. My last few seconds I want anyone else on this panel to give us a to do list, homework on how we can help restore America's competitive edge, and this includes continuing to be that destination for Chinese, for Indian, for anyone who wants to come and contribute to America's competitiveness and not advantage our adversaries.

I want places like Warren, Sterling Heights, and Rochester Hills in my 10th congressional District in Michigan to help America elevate its game. Thanks a lot. Mr. Chairman, I yield.

Chairman OWENS. Thank you. I would like to recognize Ms. Jayapal.

Ms. JAYAPAL. Thank you, Mr. Chairman. Before turning to my questions, I just want to correct the record regarding statements around allegations of the Penn Biden Center. Republicans have suggested that the current administration is not taking its responsibility seriously to address allegations regarding the Penn Biden Center.

The University of Pennsylvania has publicly stated that the Center "Has never solicited or received any gifts from any Chinese or other foreign entity, as the university has never solicited any gifts for the Center. Since its inception in 2017, there have been three unsolicited gifts from two donors, which combine to a total of \$1,100.00. Both donors are American.

I also want to remind my colleagues that the previous administration declined to investigate claims surrounding the Penn Center, stating that an investigation with respect to Section 117 compliance was unwarranted. I would like to enter into the record an article from the Daily Pennsylvanian from January of this year, outlining these facts.

Chairman OWENS. No objection.

[The information of Ms. Jayapal follows:]

The Daily Pennsylvanian

Penn denies allegations of foreign influence at Biden Center after House inquiry to Magill

By Molly Cohen | 01/18/23 4:03pm



Credit: Lillian Liu

The United States House Oversight and Accountability Committee sent a letter to Penn President Liz Magill inquiring about foreign donations and visitors to the Penn Biden Center after the discovery of classified documents at the Washington think tank.

The **letter** — signed by committee Chairman Rep. James Comer (R-Ky.) — requests that Magill provide documents and lists pertaining to donations from China to the University and the Penn Biden Center since 2017, as well as information about people who worked at the Center. The letter also requests information about people who visit President Joe Biden at the Center.

In an emailed statement to The Daily Pennsylvanian, a University spokesperson wrote that Penn has received the letter and plans to respond "in a timely matter."

The letter claims that Penn has received "millions of dollars from anonymous Chinese sources" and that these **donations tripled** following the announcement of the formation of the Penn Biden Center in 2017.

"The American people deserve to know whether the Chinese Communist Party, through Chinese companies, influenced potential Biden Administration policies with large, anonymous donations to UPenn and the Penn Biden Center," the letter said.

The University spokesperson wrote to the DP that "It is important to reiterate that the Penn Biden Center has never solicited or received any gifts from any Chinese or other foreign entity."

"The University has never solicited any gifts for the Center. Since its inception in 2017 there have been three unsolicited gifts, from two donors, which combined [to a total of] \$1,100. Both donors are Americans. One hundred percent of the budget for the Penn Biden Center comes from university funds," the spokesperson wrote. "Any foreign gifts received by the university are all properly reported to the U.S. Department of Education as required by **Section 117 of the Higher Education Act**. Penn is fully compliant with federal law regarding the reporting of foreign gifts and contracts."

The Penn Biden Center and the White House did not respond to multiple requests for comment.

8/15/23, 9:41 AM

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The letter from the GOP-led committee goes on to express concern over who had access to the recently discovered documents belonging to Biden, specifically “given the Biden family’s financial connections to foreign actors and companies,” according to the House Oversight and Accountability Committee’s [press release](#).

“President Biden’s pattern of mishandling classified documents is alarming,” the letter said. “The Committee is concerned about who had access to these documents given the Biden family’s financial connections to foreign actors and companies.”

The letter also requests a list of all Center employees, a list of all individuals with keycard access to the Center, and a visitor log of everyone who met with Biden at the Center.

In the emailed statement, the University spokesperson wrote that the “Penn Biden Center for Diplomacy and Global Engagement was founded on the principle that a democratic, open, secure, tolerant, and interconnected world benefits all Americans.”

In January 2021, a [letter](#) from three House Republicans, including Comer, to then-Penn President Amy Gutmann alleged that the University received millions of dollars in undisclosed funds from China prior to and after the formation of the Penn Biden Center. The letter requested information about donations to the University from the Chinese government or any businesses located primarily in China since 2013. Vice President of University Communications Stephen MacCarthy denied the validity of the allegations in the letter.

During former Penn President Amy Gutmann’s Senate [confirmation](#) hearings for the ambassadorship to Germany in December 2021, she was asked about [donations](#) to the University from China.

“The University of Pennsylvania has stood strong against accepting any gifts that would threaten academic freedom or threaten national security,” Gutmann said during her testimony.

The Department of Justice is currently [reviewing](#) classified documents that were found at Penn Biden Center on Nov. 2 and first reported on Jan. 9. An additional six documents were [discovered](#) in Biden’s Delaware home in December and publicized on Jan. 12.

The Penn Biden Center [opened](#) in 2018, and Biden used the space as his primary office in Washington prior to his [presidential campaign](#).

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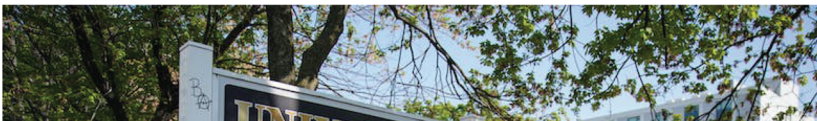
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Ms. JAYAPAL. Thank you. I want to start by saying that I am deeply disturbed by the topic of this hearing, and I say that as one of just a dozen naturalized citizens to serve in the U.S. Congress, and the first South Asian American woman elected to the House.

My parents sent me to the United States when I was 16 years old by myself because they believed that this was the country where opportunity was possible, that was not possible anywhere else. They sent me with the believe that America was a welcoming

place, a place where I could thrive and reach my highest potential, and I have.

This hearing today, reading the memo, listening to the comments today, talking about people as threats just because they were born in another country is just plain wrong. It is just wrong. It undercuts our ability to attract the best and the brightest. Frankly, it is hateful rhetoric that is a distraction from meaningfully addressing real national security threats, which we absolutely should do.

Just in my district alone, I have got 11,000 international students who contribute \$456 million to our economy. That is just my district. Imagine what the contributions are across the country. Mr. Yang, I want to thank you for being here today, and really for your decades of work to advance the civil rights of Asian Americans and Native Hawaiians and Pacific Islanders.

I want you to just briefly, because I have a couple of questions for you, but briefly tell us the dangers of the escalating rhetoric about China and the proposed legislative actions in this space. The history that we've gone through in this country where we have seen over and over again how that rhetoric hurts our Asian American people across the country.

Mr. YANG. Thank you. I will try to be brief. The dangers are real. We have seen murders. Literally we have seen murders because of anti-Asian sentiment, and that will continue if we continue to have hyperbolic rhetoric. We have seen people that do not want to come to the United States. Part of this is making sure that we—in addition to preventing bad actors from coming in, we have got to keep the good actors that want to be here, here.

That includes so many Asian Americans, Chinese Americans, students that come here for all of the reasons that we talked about that want to stay here, are being precluded from staying here because of this anti-Asian sentiment, because of restrictive laws regarding ownership of land or other things.

Ms. JAYAPAL. One piece that I think is really important to talk about is the real value of international students, of researchers and professors, not just to increase campus diversity, which is of course great and wonderful. We support that. The benefits of U.S. foreign policy, and to our standing in the world.

You touched on this briefly, but please elaborate a little bit on why it is so important to have this engagement with Chinese students, and how it helps us with our diplomatic strategy.

Mr. YANG. There is so much misunderstanding right now between United States and China. I recognize that there are geopolitical challenges, but if you talk to the average American, and the average Chinese student, whether in China, or that are studying here, they find so much in common.

If they—if we are setting up a situation where they are no longer talking to each other, they do not feel welcome here, then our divisions will just get further. Minds will harden even more, and foreign relations will become even more difficult.

Ms. JAYAPAL. I do believe that there are legitimate security concerns that we have to address with protecting federally funded research. How would a precise response for preventing actual cases of espionage and intellectual property theft better serve our Nation. What does that look like?

Mr. YANG. What it looks like is very specific definitions of what it means to have, for example, government control. What it means to have foreign influence. What it means is very understandable terms that universities and administrators can administer. What it means is making sure we have investigators that are trained to avoid bias, avoid stereotypes, and what it means also is to make sure that universities feel like if they make an innocent mistake, they will not get criminalized for that behavior.

Ms. JAYAPAL. Thank you so much for your testimony. Demonizing communities for their country of origin breeds hate and discrimination. I hope we stop doing it. I yield back.

Chairman OWENS. Thank you. I would like to recognize Mr. Banks.

Mr. BANKS. Thank you, Mr. Chairman. I am glad my colleague brought up the Penn Biden Center because I want to ask some more questions about it. When President Biden opened the Penn Biden Center think tank at the University of Pennsylvania in 2017, Chinese gifts to UPenn spiked. Chinese donors gave 105 million dollars from mid-2018 to mid-2022, which is nearly double the known previous donations.

The current Secretary of State Anthony Blinken served as the Center's Director. Many of its former employees now work in the White House. Then Vice President Biden illegally stored classified documents in his office at the Center. Mr. Moore, was the Department of Education aware of the spike in Chinese donations to UPenn after the Penn Biden Center opened?

Mr. MOORE. Thank you, Congressman. If I could begin by saying the reason that we knew about the money to UPenn, and the spike in the foreign contributions to UPenn was because of the reporting portal that we had created under Secretary DeVos. We were also aware of the same pattern at many other universities.

It was particularly startling to see with UPenn what they had received. That was very notable. Unfortunately, under Section 117 once that information had been reported we really could not do anything with it, and that is why I wrote that we were not going to open an investigation. It was not warranted, but that information should be public.

The donors should not have been anonymized.

Mr. BANKS. You did look into opening an investigation, but Section 117 did not give you the authority to do so? Is that what you are explaining?

Mr. MOORE. Congressman, there were a number of public interest groups who accessed the information on the portal that the public can access, Congressman accessed, who became aware of that information that was being provided by UPenn. Some of them wrote to us, and I think Members of Congress wrote to us urging us to open an investigation.

It would have been a very political thing, inappropriate frankly, for the Office of General Counsel if after UPenn had reported, in compliance with Section 117, which is a very bare reporting requirement. If we had then opened an investigation into UPenn, frankly, that would have been an act we should not have engaged in, and so we did not.

Mr. BANKS. You do admit that you did find it abnormal?

Mr. MOORE. Absolutely.

Mr. BANKS. The sheer amount of Chinese donations to the Penn Biden Center was not, that was not normal.

Mr. MOORE. It was extraordinary.

Mr. BANKS. What did you make of it?

Mr. MOORE. I can only speculate, but our job frankly in the Department of Education was to ensure that policymakers, Congressmen and women and the American people could see for themselves all that money going to UPenn from China and other universities to access our technology, and perhaps influence future policymakers.

Mr. BANKS. Yes. I mean we are talking about well over 100 million dollars just to this one think tank center that obviously had deep connections to the Biden family, and now to the Biden administration, and yet you talk about you can only speculate, but what would the Chinese donors get out of that type of access?

Mr. MOORE. I think that is a very fair question, Congressman. If I might also point out it is I think the Biden Center has stated, or UPenn has stated repeatedly that they never solicited funds anywhere for the Biden Center. Instead, those funds came in, all their solicitations. They actually had the international fundraising operations that our current Ambassador to Germany Gutman to collect contributions—foreign contributions, but all those funds went into the general operating fund for UPenn.

They did not go to the Biden Center. They were certain those funds were comingled, and certainly went to the general operations, and may have gone to the Biden Center, and that is something that I think is worthy of.

Mr. BANKS. I only got a minute left, but you were aware of it. You admit that it was abnormal. You said that the Chinese donations were flowing to other universities too. They were reported because of the strict Trump administration guidelines, but can you think of anything else? Any other think tank or university that received a comparable amount of Chinese donations to the Penn Biden Center?

Mr. MOORE. Not in that timeframe, absolutely not. I am unaware of them. The public did investigate on the portal to see if it occurred. I am not aware of it occurring.

Mr. BANKS. Really. It is wild. I mean you could not make it up. Now he is the President, Blinken is the Secretary of State, and they had these deep relationships. As you transitioned and prepared for the transition to the Biden administration did you keep files, documents, turn it over to them in hopes that they would do something about it?

Mr. MOORE. I mean I worked daily with the career people in the department, and certainly did not destroy anything. Our response was made public. We did not make any recommendations beyond what we made at the time that are public.

Mr. BANKS. Really crazy. I yield back.

Chairman OWENS. Thank you. I would like to now recognize Mr. Sablan.

Ms. BONAMICI. Thank you, Mr. Chairman. Thank you to our witnesses. As we saw during the previous administration, carelessness and wrongful targeting when discussing global perspectives in

higher education can have a chilling effect on academic freedom. At best, it limits the ability of faculty members from other countries to advance groundbreaking research in their fields, and at worst it leads to unjust investigations and surveillance and prosecution of individuals.

Callous and xenophobic rhetoric, particularly when it fails to distinguish between Chinese or other AAPI immigrants and the CCP has also led to a rise in hate crimes and intolerance toward Asian Americans and Asian immigrants, and I have seen that in the district I represent in Northwest Oregon.

We have a lot of international companies, and a lot of people that are from around the world, and I have seen it firsthand in the district I represent. Many college campuses today include students, faculty and scholars who represent a diversity of backgrounds, perspectives, and life experiences.

Portland State University, for example, in the district I represent is a testament to the power of value and global perspective and representation in American colleges. PSU enrolls more than 2,000 international students from 63 countries, provides them with support, advising and career opportunities. In Oregon a couple of years ago in the district I represent, international students brought almost \$41 million, and that was 1,555 students in the First congressional District.

Or University of Oregon, my alma mater close to 1,300. Oregon State has more than 2,800 international students. At Portland State, again they establish a groundbreaking 3-year partnership with Seoul Welfare Foundation in South Korea, and they allowed PSU Master of Social Work and Ph.D. students to study Seoul's programs and delivery systems, and by forging those fruitful partnerships, this can benefit Oregonians and Americans.

By supporting the well-being in academic achievement of international students, Portland State is leading the way and demonstrating how higher education broadly can be a global enterprise.

Mr. Yang, I have a two-part question. What is the benefit to students, colleges, and the country to incorporate those global perspectives into college campuses, and how can we continue to uplift the importance of international engagements in higher education?

Mr. YANG. No. Thank you very much for that question. Certainly, the cultural exchanges are absolutely vital if we want to avoid thinking in a zero-sum manner about the United States and China relations in particular. One thing that troubles me also is we are asking university officials often times asking them to be the watchdogs for espionage, or intellectual property theft, where they do not have the proper tools to do it.

What happens in these situations is they over-correct, so even student organizations encounter frustrations in hosting events because there is a concern that that might be seen as a propaganda tool for the Chinese government. We need to continue to foster those exchanges. We need to continue to recognize that there is a common humanity in all of this, and if we continue to have exchanges between Chinese students and American students, I think the American ideals will actually clearly win in the end, such that the Chinese students as we have demonstrated throughout history, will want to come to the United States, learn from the United

States, and stay in the United States and contribute to our economy.

Ms. BONAMICI. Right. Which I think is a reminder that we desperately need some good, comprehensive immigration reform because too often people come here and study, earn advanced degrees, and then end up having to go back and often times work for competing companies. I just want to put that word out there. It is not within this Committee's jurisdiction, but it is a critical issue.

I also want to discuss the Biden administration's approach to enforcing the gift reporting requirements for colleges and universities under Section 117 of the Higher Education Act. The Department of Education under this administration has made it easier for universities to report gifts of more than \$250,000 as is required under the law.

They streamline the reporting process through the Office of Federal Student Aid in conjunction with the Department's Office of General Counsel. Mr. Yang, why is it important for universities to be transparent about potential undue foreign influence, and of course we want to find the right balance, but be aware of and crack down on security concerns.

How can the Department of Education strike the right balance to promote oversight and reporting without increasing institutional burden?

Mr. YANG. Yes. Transparency is key, and I agree with all of my fellow panelists there. Part of that is simplicity, making sure that universities that are tasked with so much, so many different responsibilities, are able to understand those. Part of it is making sure that if they do make an honest mistake that they will not be criminalized for that.

Part of this is ensuring that part of this process is that they will be able to work actually with our government officials, and foster some of these exchanges. I think if we do all of that right, then again whether it is with respect to research, whether it is with respect to education, cultural exchanges, I believe that our ideals will win.

Ms. BONAMICI. Thank you. Mr. Chairman, as I yield back, I want to note that as a representative of the Pacific Northwest, we saw firsthand the horrific effects of the Japanese internment. That is an awful part of this country's history. We need to tread very carefully in this area.

I agree with my colleague, Congresswoman Jayapal, that the title of this hearing is unnecessarily inflammatory, and I yield back. Thank you, Mr. Chairman.

Chairman OWENS. Thank you. I would like to recognize Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman. Thank you to the panelists here today for your information and your testimony. It is extremely important. I was concerned when I read through the briefing papers and began to prepare for this hearing. When I read through some of the examples of the censorship, direct and indirect, that the Chinese Communist Party is having in our colleges and universities today.

Censorship in the form of direct censorship where the materials and discussions and research topics are being curtailed because

folks are afraid, frankly, of the Chinese government, and then self-censorship from students that are here from China, and some China focused scholars that have expressed that they are refraining from making certain comments and participating in events, or engaging in debates that were critical of the Chinese government because they were afraid of retaliation.

Then third, surveillance. That there are examples of campus discussions or activities where the Chinese authorities have surveilled those activities and come down hard on those students that have participated in them. Fourth, harassments and threats.

Scholars, particularly ones from China, but also students have described being threatened by the Chinese government officials or others who seek to silence criticism toward the Chinese government. This is all very concerning to me. Aside from the Confucius institutes that we have talked about today, and aside from the money that is flowing into colleges and universities. It is not being reported back.

It is significant. Mr. Singleton, I would just like to give you the first opportunity to talk about this, and tell me do these heavy-handed tactics by the CCP to chill free speech, and freedom of association concern you?

Mr. SINGLETON. Absolutely. I mean I think we spent a tremendous amount of that conversation today talking about harmful rhetoric from American audiences, and I wholeheartedly agree with Mr. Yang's comments on that front. We do so at the detriment of talking about the Chinese Communist's Party's direct role and access on U.S. college campuses.

Chinese students and scholars associations are a vignette of what we see across the United States. These are united front directed and funded organizations that operate at more than 150 college campuses. They have been directly implicated in the harassment and intimidation of university administrators, but also Chinese students studying here in the United States, if and when they express political views that diverge from the preferred political narratives of the Chinese Communist Party.

They have been involved in the suppression of free speech. The disruption of events involving the Uyghurs genocide in particular. They are wholly unregulated. These are organizations that receive, as I mentioned, funding and direction from the Chinese Communist Party. They report to Chinese consulates and the Chinese Embassy here in Washington, DC, and yet they are wholly unregulated with unfettered access to U.S. college campuses.

Mr. MORAN. Yes. I agree. I am really careful, I do my best to use the language Chinese Communist Party instead of talking about a nationality or an ethnicity because I recognize some of the issues that are presented when we do not do that correctly. I firmly believe that every person in this room was created by God with equal and eternal value, regardless of where they were created.

I am real careful about that, but I am concerned about the Chinese Communist Party's influence in our colleges and universities. Not just what we brought up so far, but looking back at how they have influenced the Chinese Students and Scholars Associations, Mr. Yang, I want to turn to you and get some opinion about this from you.

In 2017, the CSSA at the University of California San Diego protested against an invitation to the Dalai Lama to give that year's commencement address, and they said that they consulted with the Chinese consulate in 2019 about that issue. In 2019 Columbia University canceled a planned panel on Chinese human rights violations, due to pressures from a "Chinese student group".

Similar protests occurred in 2021 at the University of Chicago against the campus that with Hong Kong activist Nathan Long. These all seemed to go back to the Chinese Communist Party where the Chinese Students and Scholars Association, at least on some of these campuses were interfacing and interacting with the Chinese Communist Party to understand who they should protest and who they should not. What is your reaction to that?

Mr. YANG. Thank you for that question. I agree that we should be looking at specific issues and there may be specific associations that are problematic. Where I have a concern is if we paint with a broad brush that all student associations or scholarship associations are problematic.

The other thing that I would agree with you on is that we need to take a different law enforcement approach. Chinese students and professors right now feel caught between a rock and a hard place. They feel like on one hand that the Americans feel like they're not American enough.

On the other hand the Chinese Communist Party is targeting them. We in our American communities, should be embracing many of them, and understand that we should be helping to protect them, to protect their rights here on campus or at their homes.

Mr. MORAN. Well, let me just be clear about my concern. It is not about Chinese people. It is about the Chinese Communist Party. That is where my concern lies. It is about the decisions made by a totalitarian regime to try to influence free speech and free association in this country. I thank you for your time.

Chairman OWENS. Thank you. I would like to recognize Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. Before turning to my questions I want to first address the concerns around Section 117 compliance, the House and the Office of Federal Student Aid, there were comments made to argue the Department's move of Education Department's move of Section 117 compliance back to the Office of Federal Student Aid is a poor decision, but in fact the Office of General Counsel, where it was, is in no way equipped to evaluate financial statements and provide resources in the same manner as FSA is.

Unfortunately, we continue to buck enhanced transparency and implementation of Section 117 by failing to increase funding for FSA, so I just wanted to make that point. Mr. Moore, exactly can you just for the record explain how compliance with Section 117 enhances our national security?

Mr. MOORE. Thank you, Congressman. I think that it enhances national security by providing full disclosure of information about possible foreign influences at universities, particularly universities with significant research institutions on campus where STEM technology is funded by the taxpayers.

I think having knowledge about the relationships between foreign donors, especially from some countries that do not wish us well is extremely important for you as Members of Congress and for the American people.

Mr. SCOTT. Mr. Singleton, does Section 117 compliance affect investment decisions made by university endowments?

Mr. SINGLETON. No, it does not.

Mr. SCOTT. Thank you. Mr. Yang, the conversation about foreign influence in higher education can often lead to over sensitization and an irrational fear of harm of foreign nationals. The title of this hearing is somewhat problematic, and it seems to instill fear into our minds.

Can you say a word about how this kind of rhetoric can lead to the rise of incidents of bias, violence and discrimination against Asian American students and scholars?

Mr. YANG. Thank you very much for that question. Certainly, whenever we talk about foreign influence it is an appropriate topic to talk about. When we start talking about whether it is the Chinese as a whole, even talking about it just in terms of the CCP, it can lead to over generalizations.

One of the other analogies that I referred to the cold war earlier, was certainly during the cold war, and even now, we always referred to the Putin regime. We always referred to the authoritarianism in Russia. During World War II, we always referred to as Hitler's Germany or Nazi Germany.

When it comes to Asia, we do not have that same nuance. During World War II, we referred to it at best as the Japanese. No one knows who Kara Zito was. Here now, we should be more specific if we are concerned about the autocratic regime in China, names the autocratic regime, whether it's Xi Jinping and his policies or the like.

If we start to get to that level of nuance, that level of specificity, then we start to reduce the likelihood of violence, repercussion, or collateral damage against the Asian American community.

Mr. SCOTT. I thank you. Can you remind us of the comments made by AAJC in the affirmative action cases recently decided by the Supreme Court?

Mr. YANG. By who? Sorry.

Mr. SCOTT. The comments by AAJC on the affirmative action cases.

Mr. YANG. Sure. With respect to affirmative action, this is again recognizing that our community is very diverse. We have been supportive of affirmative action. We think it is important for the narrative of America to make sure that we understand that America includes all of our different communities, whether they are Asian Americans, African Americans, Latino Americans.

Too often our community has been used as a wedge to drive again that narrative of we are somehow a model minority that is set apart from other communities. It is important to recognize that race still matters in this country. One message that I have for college students, when we are talking about universities, is that they should still be talking about race, their upbringing in their college essays.

That is something that was explicitly allowed by Chief Justice Roberts, and our university officials need to recognize that diversity plays a critical role in our education system. That diversity will only strengthen our education system.

Mr. SCOTT. Can you say a word about diversity within the Asian community?

Mr. YANG. The Asian American community is exceptionally diverse, and sometimes you think of people like me, an East Asian Chinese American male. Obviously it includes Filipino Americans, Vietnamese Americans, South Asian Americans, Indian Americans, Pakistani Americans, and we need to recognize that diversity.

When we talk about affirmative action, affirmative action benefits many of those communities that otherwise would not have a chance.

Mr. SCOTT. Thank you, Mr. Chairman.

Chairman OWENS. Thank you. I would like to now recognize Dr. Foxx.

Mrs. FOXX. Thank you, Mr. Chairman, and I want to thank our witnesses for being here today. Mr. Moore, the current administration has given no indication that any existing section 117 investigations are being continued. In fact, in August 2022, the American Council on Education wrote a thank you letter to the Department of Education for its “plans to close” all investigations.

Why is it crucial for the Department to follow through with these investigations instead of quietly closing them based on requests from post-secondary education stakeholders?

Mr. MOORE. Thank you, Chairwoman. I think it is very important that closure of any investigation be fact based, and I was rather shocked to see the Vice President of ACE announce last August in that thank you letter that he had been told by Department officials that every investigation was going to be closed, and that responsibility for Section 117 investigations would be transferred to FSA.

If the Department actually closes them, all the investigations in kind of one fell swoop without doing it in a fact-based way, I do not understand that. It seems like merit has been tossed out the window, other than let us get rid of these.

Mrs. FOXX. Thank you. Mr. Moore, the Biden administration nearly finished its plan to transfer enforcement of Section 117 away from the Office of General Counsel, and into the Office of Federal Student Aid, FSA. Given FSA’s skillset and current workload to implement the President’s illegal student loan cancellation schemes, is FSA well equipped to handle Section 117 enforcement?

Mr. MOORE. Congresswoman, I do not believe that they are equipped at all to handle Section 117 enforcement, especially if everything was running smoothly with Section 117, and there was not a history going back many years of massive violations and lack of compliance, then you know, maybe it would be something to say okay, this can go on auto pilot to, you know, a less aggressive component of the Department.

That is not the case. It is an extremely strange time to more or less downgrade the investigative potential that the Department has when they are looking at these investigations, so it does not make any sense at all.

Mrs. FOXX. Thank you. Mr. Singleton, you mentioned the State of Florida passing bipartisan unanimous legislation to protect Florida universities. I also understand many Florida universities publicly supported that bill. Can you elaborate on how this coalition formed to promote common sense foreign influence reforms?

Mr. SINGLETON. Absolutely. Yes, it did pass unanimously in both the Florida House and Florida Senate before being signed into law by the Florida Governor. It really was a whole of society approach. There was collaborative debate between universities, administrators, investigators from the Florida Governor's. What the law does is it prohibits the universities, their employees and representatives from soliciting or accepting grants from entities located in China, Russia, Iran, North Korea, Venezuela and I believe Cuba.

It also mandates that State universities obtain approval from the Board of Governors before entering into contracts or partnerships with entities located in these countries of concern. They have to demonstrate that there is value to students, and that the agreements do not pose risks to the research enterprise.

The third part is that the State of Florida Governors is now authorized to withhold performance funding for any university or college that has not met these requirements, or elects to enter into an unauthorized agreement, or partnership with a country of concern.

There is both a carrot and stick approach. At the end of the day, university administrators, community stakeholders, and members of the Florida legislature all came together and passed this unanimously.

Mrs. FOXX. I am glad to know that there is such enlightened people in the colleges and universities there in Florida, and that they saw the wisdom in coming together in this. I think protecting our students and national security should be a bipartisan issue. It should be something that all our citizens care about, and I urge my colleagues on the other side of the aisle to join Republicans in these efforts. Thank you, Mr. Chairman, I yield back.

Chairman OWENS. Thank you. I would like to recognize Mr. Grothman.

Mr. GROTHMAN. Thank you. We will go for Mr. Singleton here. In your testimony, you talked of the goals of things like the Communist Party would be to invest in American universities, to stifle free speech, which is something we have kind of seen in this administration, and otherwise monitor activities or propagate disinformation and false narratives. Could you please elaborate on that and tell us what type of disinformation and false narratives people might want to propagate?

Mr. SINGLETON. Sure. The Chinese Communist Party is waging what it calls a discourse war against the United States.

Mr. GROTHMAN. Can you speak up?

Mr. SINGLETON. Sure. The Chinese Communist Party is waging its discourse power against the United States and other allied democracies around the world. It seeks to—

Mr. GROTHMAN. We are not a democracy, but go ahead.

Mr. SINGLETON. Yes. To seek and to set and shape global narratives about China's rise in ways by comparing, contrasting, and consistently misrepresenting the benefits of authoritarianism and

the deficiencies, so-called, of democracy. On U.S. college campuses one of the things that they do is sow social division on college campuses, the Chinese Students and Scholars Associations that we've mentioned are specifically funded to best disrupt free speech protections, academic integrity.

All the goal of presenting a particular political narrative around China's so-called peaceful rise.

Mr. GROTHMAN. Maybe I did not hear you. I want you to specifically tell us what type of narratives, and by the way when the Soviet Union was still around there was a KGB agent who left, and he felt that most of the money being spent by the KGB in the United States was not doing spying, it was in essence to spread disinformation in America to cause America to collapse from within.

Could you give us examples, specific examples, of false narratives that representatives of the CCP might try to promote in American universities?

Mr. SINGLETON. Sure. Absolutely. The first and foremost is that the United States is in decline, that the Chinese Communist Party does not represent the risk to U.S. national security or to the world order. They also propagate maligned narratives about Chinese human rights abuses seeking to neutralize the legitimate claims made against genocide in Chinese Communist Party directed genocide activities against the Uyghurs.

This is all designed in many respects, like I said, the social division here, but to help propagate false Chinese Communist Party narratives across the United States, and to undermine our—

Mr. GROTHMAN. Could you give me those false narratives about the United States? What do they want our students to think about the U.S.?

Mr. SINGLETON. Sure. They tend to want us to believe that the U.S. is a declining power, and that we should embrace the narratives and the lack of universal values that the Chinese Communist Party propagates, and the development of a new international order that reflects China's values, interests, that rejects human rights, that rejects universal values, and that seeks to in many ways divide the United States population against each other.

Mr. GROTHMAN. How would you divide the U.S.? How are we trying to divide the U.S. population?

Mr. SINGLETON. Well, the Chinese call it cognitive domain warfare, and it is not the United States is certainly not the only target of the Chinese Communist Party's activities. We see them actively in places like Taiwan where they are seeking to divide the population against itself, but also convince—

Mr. GROTHMAN. Give me an example of how they are trying to divide Americans against themselves?

Mr. SINGLETON. Sure. I mean simply propagating narratives that the U.S. Government is anti-Asian or seeking to perhaps put I think it is sort of been referenced here, Chinese Americans.

Mr. GROTHMAN. You mean they are trying to say the Americans are anti-Asian?

Mr. SINGLETON. They see the U.S. Government as going against Chinese citizens, China, Chinese Diaspora communities. In fact, the new Chinese Ambassador here to Washington, DC. The first

message that he sent out upon arriving in Washington, DC. was to communicate to all Chinese students across the United States saying the party is here to protect you.

Mr. GROTHMAN. I mean to me people who come here Asian, this is wonderful. I have some wonderful Asian friends. They are doing better than any other ethnic group in America. People from India, people from China, people from Philippines. Who in the world would—what possible narrative would they spread that would tell Asian students that America is anti-Asian? It seems just almost beyond belief you could even find something like that.

Mr. SINGLETON. There is no doubt many instances in which there has been, you know, quantifiable rising anti-Asian rhetoric, or attacks—unacceptable attacks on Chinese students. What the Chinese State media and Chinese State actors do is they amplify those messages and that dialog in that discourse, seeking to portray the United States as a racist country.

Mr. GROTHMAN. Okay. Any specific groups that you can think of that may be funding or be behind—that might spread this divisive narrative?

Mr. SINGLETON. The Chinese Students and Scholars Association is by far one of the most important.

Mr. GROTHMAN. Thank you.

Chairman OWENS. Thank you. I would like now to recognize Ms. Wilson for her closing remarks.

Ms. WILSON. Again, I want to thank the witnesses for their testimonies in today's hearing. We all agree that keeping America at the forefront of innovation and progress requires transparency in our academic and research ecosystems.

I am glad to see the current administration amplifying compliance and returning oversight responsibility to the Federal Student Aid office. FSA professionals are very experienced in this arena, consistently gathering data from the roughly 6,000 institutions that take part in student financial aid programs. This move has facilitated the reporting of on average over 3,000 transactions and 1.5 billion more per year under the administration compared to the previous administrations.

Last, our effort to promote transparency and accountability should never be subject to politics or partisanship. Instead, we should focus on building sustainable, institutionalized oversight. We can and should strike a balance between ensuring compliance and keeping campuses safe for our students, our scholars, and our faculty, and I yield back.

Chairman OWENS. Thank you so much. I will just wrap up by saying I was very blessed to have been raised around the academic arena. My dad was a college professor for 40 years at Florida A&M, a World War II vet. It was interesting in that time when my community was taught certain things that really helped to be successful.

We talked about faith, family, free market education in this community because we believe in that because we believed education was our gateway. We were hopeful, we were faithful, and we were tenacious enough to succeed. That community that I grew up in the 50's and 60's led the country to growth in the middle class, men

matriculated from college, men committed to marriage and a percentage of entrepreneurs.

That is the American way. We were also taught about the evil of Communism. We were not going to conflate an ideology with a race of people like we are doing today. We understood that the ideology was the most harmful for those who had to live under their oppression.

Probably the people who are in the worst shape in our world today are people living on Communist China because of the ideology of misery that they have to live in for their freedom to be taken away from them. I am excited about the fact we now have these kind of conversations.

For way too long with set back and talk fluff talk, thinking there is some kind of way we can convert Communist's evil, Marxism to our way of thinking. We need to understand this is our enemy. I think you would understand the reason why we know our college today that we do not have the same concerns because we now have Communists and Marxists impacting our colleges curriculum, 6.5 billion dollars of funds not being acknowledged says a whole lot about what type of influence they are having on our country today.

I am proud of states like Florida and Utah. In the State of Utah, we have a bill called H.B. 346, which prohibits higher education institutions from seeking or accepting funding support from restricted foreign entities that shut down in Utah the Confucius institute.

We also have a bill that prohibits all elementary and secondary schools in Utah from seeking or accepting funds from restricted foreign entities. That means they can no longer have the impact on Utah schools that they have across our country. I want to thank again the witnesses today for this very educational conversation. We need to keep this up. We need to understand that we are truly in a war against an ideology, not people.

An ideology that hates our country, that hates our American way, and all we do is look around and see the impact of young people coming out of college with debt and still hating our Nation because we have an ideology being taught to them as our way. I am excited about what we are going to be doing as a Congress here.

Just know for those institutions out there that 70 percent is not being upfront and transparent. We have a Congress in place now that is going to hold you accountable, but we expect you to really take your funds to let us know where it is, disclosure, full disclosure so the American people know where their tax dollars are going.

Thank you so much for your participation, for your expertise, and with that being said, I would like to thank the witnesses and without objection, with no further business, the subcommittee stands adjourned. Thank you so much.

[Whereupon at 12:09 p.m., the Committee was adjourned.]