

FOREIGN INFLUENCE: MITIGATING RISK THROUGH STRONG POLICIES

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TIMELINE

Feb 2018

FBI Director Presents to Congressional Hearing on Universities and the threat we face from China

Dec 2018

NIH ACD Working Group for Foreign Influences on Research Integrity

Jul 2019

Dept of Ed issues letters to Cornell, Georgetown, Texas A&M & Rutgers concerning Section 117 reporting*

May 2020

Arrest of Simon Saw-Teong Ang, University of Arkansas
Charge: Wire Fraud related to close ties to Chinese Government and companies

Aug 2018

NIH Director's letter on Foreign Influence in the Peer Review Process

Mar 2019

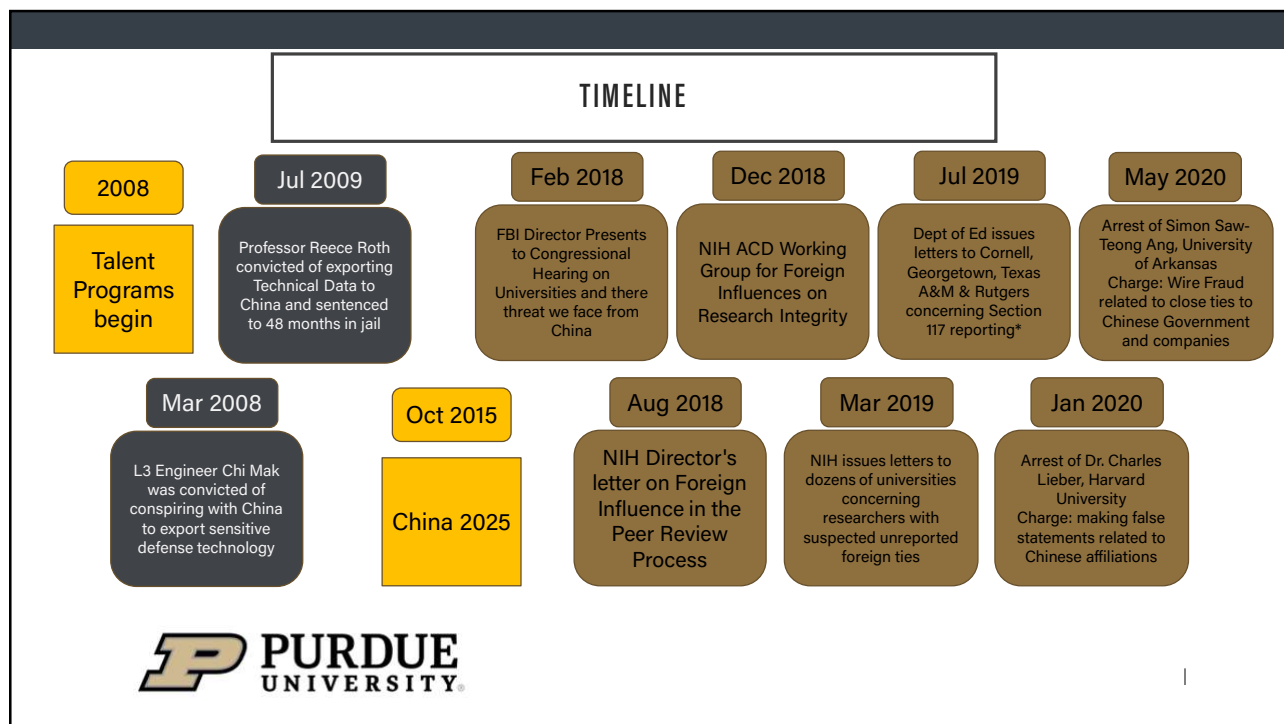
NIH issues letters to dozens of universities concerning researchers with suspected unreported foreign ties

Jan 2020

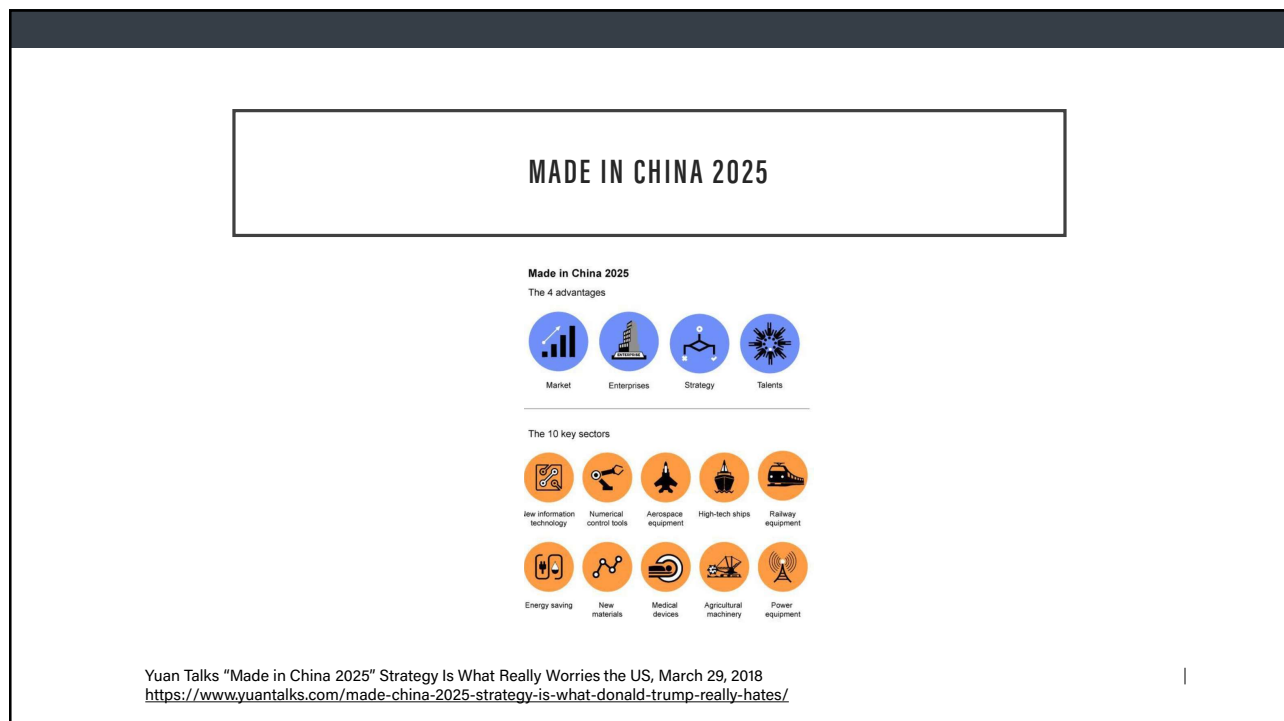
Arrest of Dr. Charles Lieber, Harvard University
Charge: making false statements related to Chinese affiliations



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Congressional Hearings & Roundtables

- **April 2018** - "Scholars or Spies: Foreign Plots to Targeting America's Research & Development," House Science Subcommittee on Oversight and Subcommittee on Research and Technology
- **June 2018** - "Student Visa Integrity: Protecting Educational Opportunity and National Security," Senate Judiciary Subcommittee on Border Security and Immigration
- **Sept 2018** - House Science Committee Roundtable with higher education leadership, federal science agencies, FBI
- **Feb 2019** - "China's Impact on the U.S. Education System," Senate Homeland Security Permanent Subcommittee on Investigations
- **May 2019** - House Armed Services Roundtable with higher education leadership
- **June 2019** - "Foreign Threats to Taxpayer - Funded Research: Oversight Opportunities and Policy Solutions," Senate Finance Committee

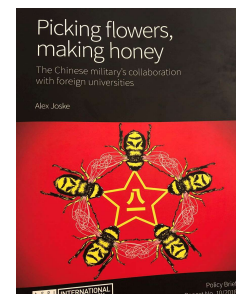


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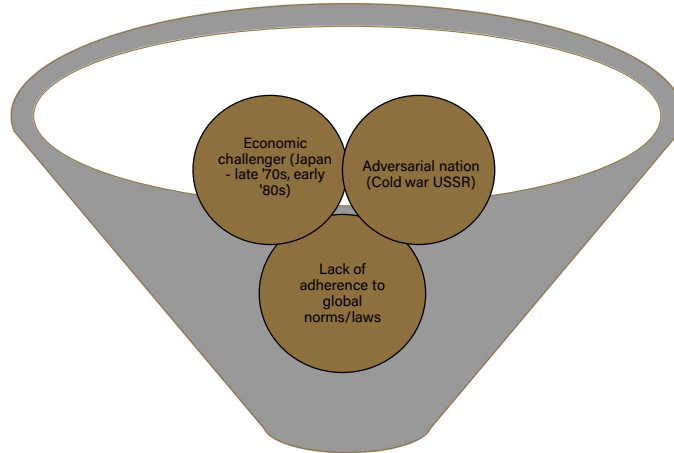
Specific Concerns

- Huawei and other university funding relationships
- Talent recruitment programs
- Faculty relationships and failure to disclose foreign funding sources/affiliations
- Shadow laboratories
- Breaches in peer-review
- Foreign investment/CFIUS
- Confucius Institutes
- Student groups
- Sharing of Genetic Information



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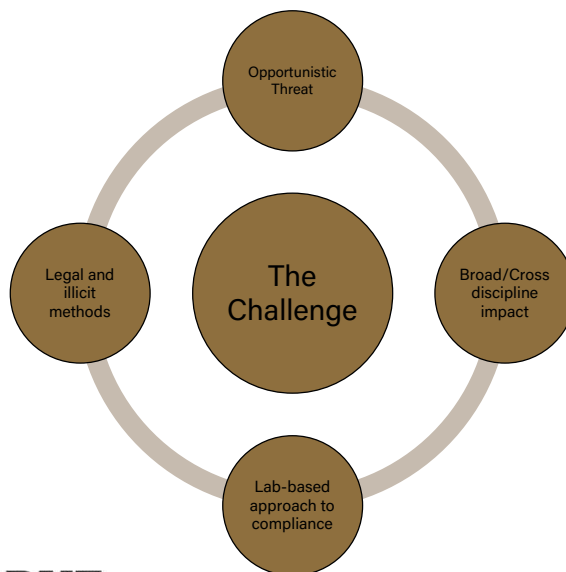
Historic Context



The China Threat



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Simple Summary of Legislative Proposals & Federal Action

- **HEA Section 117 reporting** - Increased institutional reporting of funding received from foreign gifts and contracts
- **Restrictions on participation in foreign talent programs**
 - Department of Energy (DOE) Order No. 486.1 - applies to DOE employees, contractors and subcontractors
- **Creation of new categories of “critical technologies” or “sensitive research”** which limit access to foreign students & scholars to certain labs and research projects
 - Emerging Technologies list - Dept of Commerce (ANPRM - Nov 2018)
- **Focus on clarifying and enforcing agency disclosure requirements**
 - NIH, NSF, DOD and DOE have all issued guidance
- **Better interagency coordination and forums for dialogue** between federal agencies and the university/scientific community (H.R. 3038, SASTA)
- **OSTP/NSTC Joint Committee on the Research Environment (JCORE)**



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JCORE Summit - November 2019

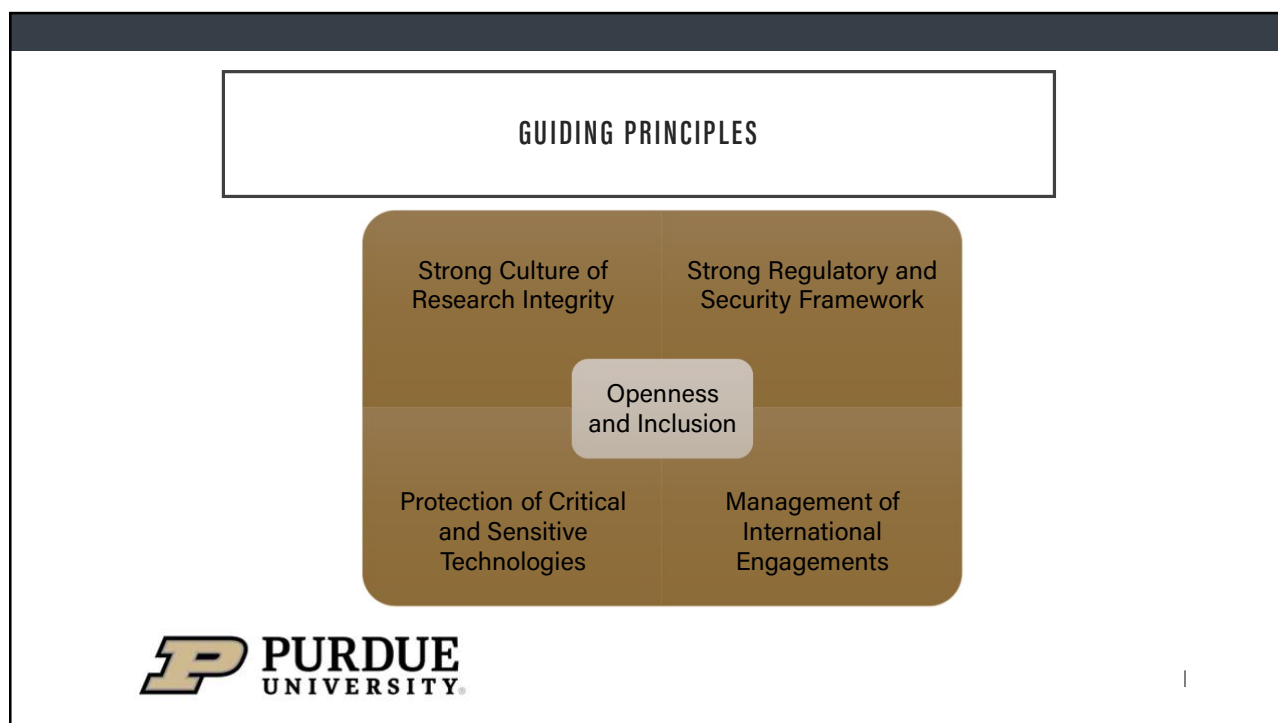
Thematic Sessions

- **Transparency:** Transparency and openness underpin the success of the U.S. research enterprise. Sharing of research data and methodology is critical to reproducibility and replicability. Transparency in the grant making process is necessary to ensure effective allocation of Federal funds and accountability to the American taxpayer. Openness around institutional processes for disclosure of harassment can lead to safer research environments.
- **Integrity:** The strength of the research enterprise depends on researchers adhering to foundational principles of ethical conduct, including integrity, honesty, transparency, openness, and mutual respect. The strength also rests on nations upholding principles of meritocracy and reciprocity. Failure to adhere to these principles imperils the research enterprise and the many benefits that flow from it.
- **Workload:** Administrative requirements for research include existing and potential data submission, collection, assessment, and reporting, including those intended to address security, harassment, and reproducibility concerns. These requirements must be balanced with their demonstrated value and an understanding of their impact on research.
- **Coordination:** Effective coordination across the research enterprise is essential to address critical challenges.

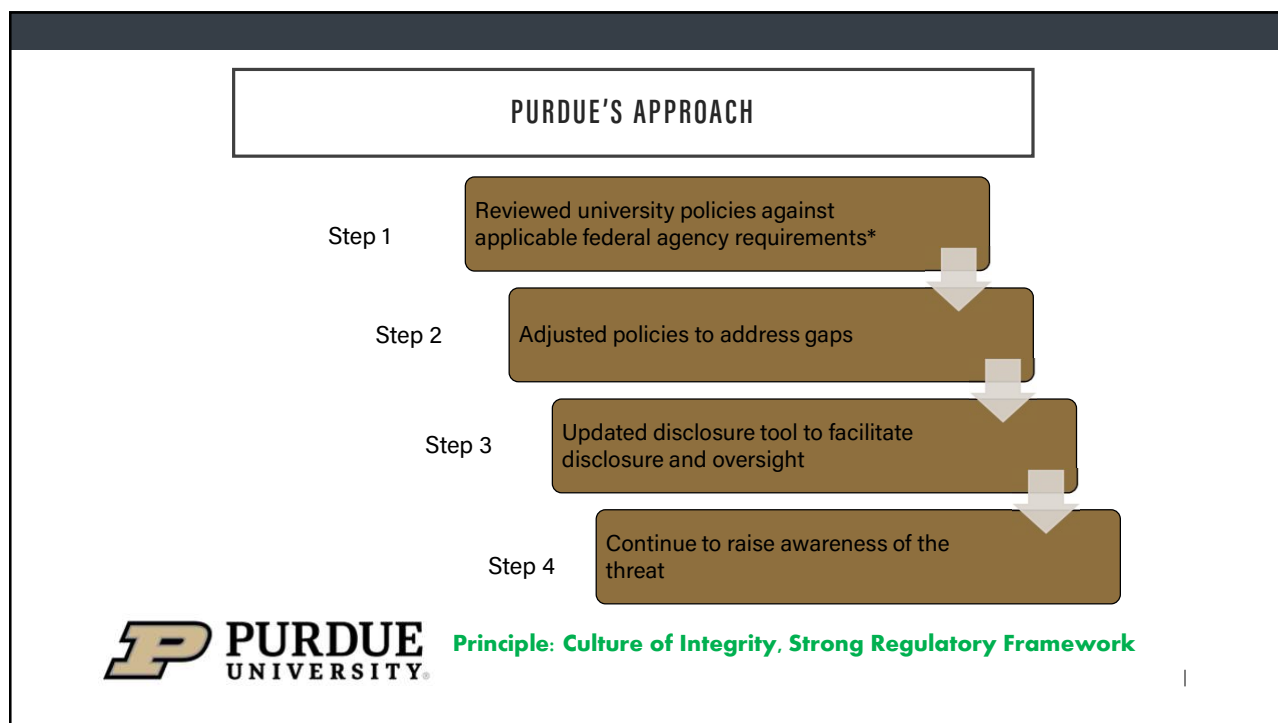


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STEP 1 - REVIEW POLICIES

- Conflicts of Commitment and Reportable Outside Activities
- Financial Conflicts of Interest (including research and gifts)
- Intellectual Property
- Travel
- Sabbatical and other leave policies
- Effort Reporting



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Step 1 Review university policies against applicable federal agency requirements

Applicability	Purdue Policy	42 CFR part 50 Subpart F	45 CFR Part 94	NSF IS-1 Chapter IX - Grantee Standards	45 CFR 46.107(j)(i)	IC 35-44.1-1-4
Significant Financial Interest	<p>INDIVIDUAL FINANCIAL CONFLICTS OF INTEREST (II.B.2)</p> <p>A Financial Interest held by an investigator and/or an investigator's dependent that reasonably appears to be related to the investigator's institutional responsibilities and that consists of one or more of the following:</p> <ul style="list-style-type: none"> • Remuneration (including salary, consulting fees, honoraria, paid authorship and travel reimbursement) received from a publicly traded company during the twelve-month period preceding the date on which an investigator is making a disclosure, and/or an equity interest held in such publicly traded company, if the aggregate value of such remuneration, plus the value of the equity interest as of the date of disclosure, exceeds \$5,000. • Remuneration (including, but not limited to, salary, consulting fees, honoraria, paid authorship and travel reimbursement) received from a non-publicly traded company during the twelve-month period preceding the date on which an investigator is making a disclosure, if the remuneration exceeds \$5,000. • More than five percent equity interest or ownership in a publicly traded company or business. • Any equity interest in a non-publicly traded company or business, regardless of value. • Any Intellectual Property Rights, regardless of value, upon receipt of income related to such rights and interests. • Income from a foreign institution of higher education or the government of another country (including local, provincial or equivalent governments of another country). • When applied to sponsored project applications (proposals) submitted to and/or awards received from PHS agencies, any reimbursement or sponsored travel (i.e., travel that is paid on behalf of the investigator and not reimbursed to the investigator so that the exact monetary value may not be readily 	<p>Significant financial interest means anything of monetary value, including but not limited to, salary or other payments for services (e.g., consulting fees or honoraria), equity interests (e.g., stocks, stock options or other ownership interests), and intellectual property rights (e.g., patents, copyrights and royalties from such rights).</p> <p>The term does not include:</p> <ul style="list-style-type: none"> (1) Salary, royalties, or other remuneration from the applicant institution; (2) Any ownership interests in the institution, if the institution is an applicant under the SBIR Program; (3) Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities; (4) Income from service on advisory committees or review panels for public or nonprofit entities; (5) An equity interest that when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: Does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a five percent ownership interest in any single entity; or (6) Salary, royalties or other payments that when aggregated for the investigator and the investigator's spouse and dependent children over the next twelve months, are not expected to exceed \$10,000. 	<p>(1) A financial interest consisting of one or more of the following interests of the investigator (and those of the investigator's spouse and dependent children) that reasonably appears to be related to the investigator's institutional responsibilities:</p> <ul style="list-style-type: none"> (i) With regard to any publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value. (ii) With regard to any non-publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the investigator (or the investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest); or (iii) Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests. <p>(2) Investigators also must disclose the occurrence of any reimbursed or sponsored travel (i.e., that which is paid on behalf of the investigator and not reimbursed to the investigator so that the exact monetary value may not be readily available), related to their institutional responsibilities, provided, however, that this disclosure requirement does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an institution of higher education as defined at 40 U.S.C. 4003(a), an academic teaching</p>	<p>(current as of February 25, 2019) NSF requires each grantee organization employing more than fifty persons to maintain an appropriate written and enforced policy on conflict of interest and that all conflicts of interest for each award be managed, reduced or eliminated prior to the expenditure of the award funds.</p> <p>The term "significant financial interest" means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria), equity interest (e.g., stocks, stock options or other ownership interests), and intellectual property rights (e.g., patents, copyrights and royalties from such rights).</p> <p>The term does not include:</p> <ul style="list-style-type: none"> a. salary, royalties or other remuneration from the proposing organization; b. any ownership interests in the organization, if the organization is an applicant under the Small Business Innovation Research Program (SBIR) or Small Business Technology Transfer Program (STTR); c. income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities; d. income from service on advisory committees or review panels for public or nonprofit entities; e. an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity; or f. salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are 	<p>this policy applies to all research involving human subjects conducted, supported, or otherwise subject to regulation by any Federal department or agency that takes appropriate administrative action to make the policy applicable to such research.</p> <p>(d) No IRB may have a member participate in the IRB's initial or continuing review of any project in which the member has a conflicting interest, except to provide information requested by the IRB.</p>	<p>Indiana code concerning conflict of interest</p>

¹ (a) institution of higher education - for purposes of this chapter, other than subchapter IV, the term "institution of higher education" means an educational institution in any State that—
⁽¹⁾ admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or persons who meet the requirements of section 1091(d) of this title;

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Step 2 – Revise Policy to provide clarificationn

Conflicts of Commitment and Reportable Outside Activities (III.B.1)

Reportable Outside Activity and Reportable Outside Activities do not include:

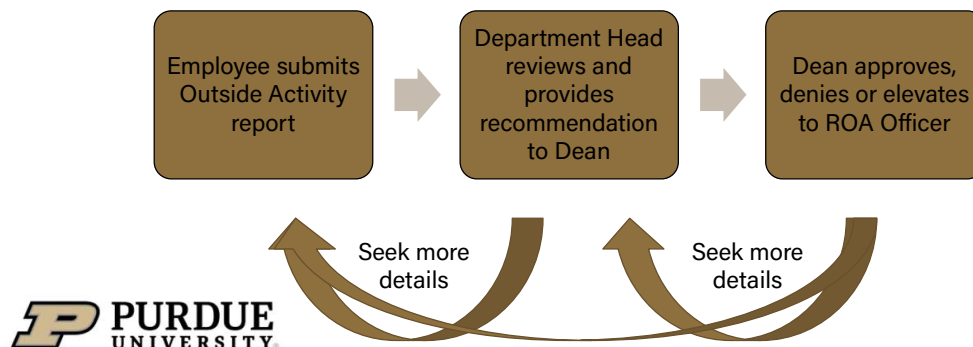
- Service without compensation, or with honoraria less than \$1,000 annually, 1) on U.S. federal or state government agencies and boards, 2) on U.S. federal or state granting agency peer-group review panels, 3) on advisory groups for other U.S. universities or 4) in similar capacities primarily for the purpose of providing a public or University service within the United States



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REPORTABLE OUTSIDE ACTIVITY APPROVAL PROCESS

Required prior to initial activity and annually thereafter



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**STEP 3 - UPDATE REPORT TOOL -CURRENTLY ENGAGING IN THIS
PROCESS**

Detail	Existing Tool	Expanded Tool
Name of business/organization	Yes	Yes
Position held	Yes	Yes
Frequency of activity	Yes	Yes
Total # days across academic year	No	Yes
Explanation of how the days will be distributed across the academic year	No	Yes



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**STEP 3 - UPDATE REPORT TOOL -CURRENTLY ENGAGING IN THIS
PROCESS**

Detail	Existing Tool	Expanded Tool
Whether compensated (Yes/No)	Yes	Yes
Whether reimbursed or compensated for travel or travel expenses paid on their behalf	No	Yes
Anticipated or planned research activity	No	Yes
Anticipated scholarly output in connection with activity	No	Yes
As part of this activity, will US Government agency funds or resources purchased with US Govt funds be used (e.g. computers)	No	Yes



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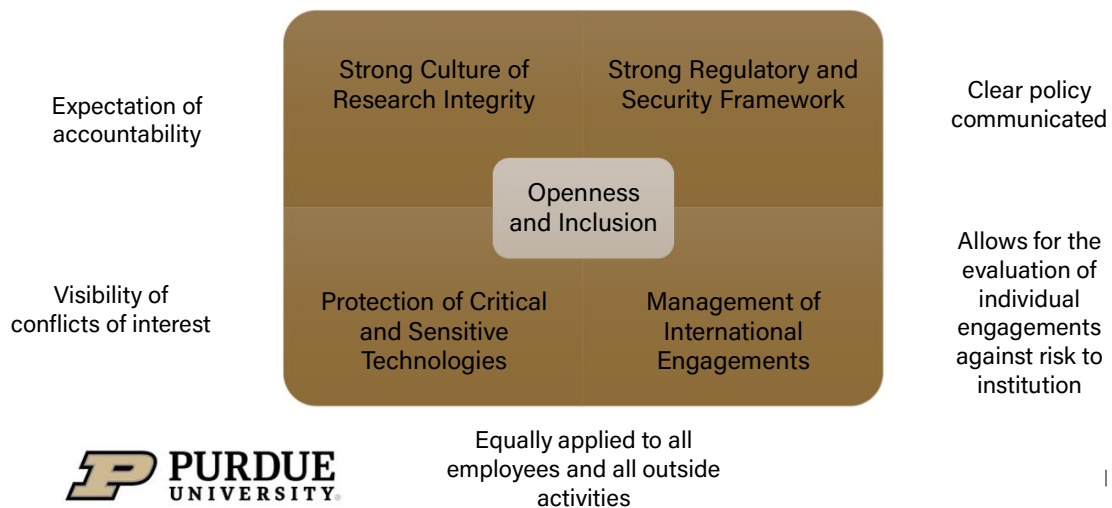
STEP 4 - RAISE AWARENESS

- November 8, 2018 – Joint Letter from Executive Vice President for Research and Partnerships and Provost
- January 1, 2019 – Policy revision
- Continued efforts – Faculty and college leadership meetings; Global Advisory Council Meetings, Security seminar for campus personnel
- Future activities:
 - Updated letter from EVPRP and Provost
 - Communication plan for revised Reporting Tool



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GUIDING PRINCIPLES



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Charles Lieber

Chair of Chemistry and Chemical Biology Department, Harvard University
University lab received over \$15M in grant funding from DOD and NIH
Described as a pioneer in nanoscience & nanotechnology

Arrested - January 2020 - Accused of failing to disclose to NIH and DOD (and Harvard)

- Significant foreign financial conflicts of interest
- 2011 - appointed a Strategic Scientist at Wuhan University of Technology (WUT) and Paid Lieber \$50K per month
- 2012 to 2017 Participated and received funding from China's Thousand Talents Program
Awarded him over \$1.5M to establish a research lab at WUT
Required him to work for WUT for not less than 9 months a year

Lieber's false statements to Harvard, caused Harvard to falsely tell NIH that Lieber "had no formal association with WUT". And that Lieber "is not and has never been a participant in" the Thousand Talents Program



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Simon Saw-Teong Ang

Director of the High Density Electronics Center, Department of Electrical Engineering, University of Arkansas

- Focus on Microelectronics and Power Electronic Packaging and Nanotechnology
- Received more than \$5 million in Federal funding
- NASA funding (*restriction on bilateral activity with China (Public Law 112-55)*)

Arrested - May 2020 - Charged with Wire Fraud

- Close ties with the Chinese government and Chinese companies
- Failure to disclose those ties when required to do so in order to receive grant money from NASA "in violation of UA policy".
- Did not disclose this outside income to UA



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Dr. Qing Wang

Cleveland Clinic

- Received more than \$3.6 million in grants from NIH
- Research focused on molecular medicine and the genetics of cardiovascular and neurological diseases

Arrested - May 2020 - Charged with False Claims and Wire Fraud

- Conducting and collecting money for the same research from NIH and the Chinese Government
- Served as Dean of the College of Life Sciences and Technology at the Huazhong University of Science and Technology
- "Not just a case of simple omission" - Statement from FBI Special Agent in Charge, Eric Smith.



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Xiao-Jiang Li

Former Professor at Emory University

- Participant in the Thousand Talents program from 2012-2018
- Had appointments at the Chinese Academy of Sciences and Jinan University

Plead guilty - May 8 2020 - filing a false tax return

- Failed to report foreign income on tax return
- Allegation of conducting the same research in China that was funded in the US by NIH



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Common Details

- Respected researchers in emerging technology fields (consider China 2025 list of technologies)
- Chinese Thousand Talents Program participants
- Significant Commitments to Chinese entities
- Significant foreign financial support
- Lack of disclosure of those commitments
- Attempts to hide or provide false information about commitments



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QUESTIONS?



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