

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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February 19, 2025

Ms. Denise Carter  
Acting Secretary  
U.S. Department of Education  
400 Maryland Avenue S.W.  
Washington, D.C. 20202

Dear Acting Secretary Carter:

The Committee on Oversight and Government Reform is examining foreign funding of U.S. higher education institutions. The Department of Education's (Department) foreign funding reports show that foreign nations gave more than \$57 billion to U.S. institutions since 1981.<sup>1</sup> The Biden Administration rolled back investigations into foreign funding in academia that took place in the first Trump Administration,<sup>2</sup> and many institutions have failed to make disclosures for funds received since 2020.<sup>3</sup> To further the Committee's oversight of this matter, the Committee requests documents and information regarding the Department's enforcement of statutory reporting requirements.

Section 117 of the Higher Education Act of 1965 (Section 117) requires institutions that receive federal financial assistance to bi-annually file disclosure reports with the Secretary of Education.<sup>4</sup> Reports must disclose gifts received or contracts executed with a foreign source, valued at \$250,000 or more, or if an institution is owned or controlled by a foreign source.<sup>5</sup> Section 117 was first enacted by Congress in 1986 with the goal of "protect[ing] academic integrity" and counteracting the negative influence foreign money could have on academic teaching and research.<sup>6</sup> Increased transparency allows policymakers to detect and respond to foreign influence operations under the guise of "academia."<sup>7</sup> The disclosures mandated by Section 117 remain indispensable because adversarial governments and their instrumentalities "have targeted the higher education sector for exploitation to infiltrate cutting-edge American research projects [and] influence curricula..."<sup>8</sup>

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<sup>1</sup> *Section 117 Foreign Gift and Contract Data*, FEDERAL STUDENT AID, U.S. DEP'T OF EDUC., available at <https://fsapartners.ed.gov/knowledge-center/topics/section-117-foreign-gift-and-contract-reporting/section-117-foreign-gift-and-contract-data>.

<sup>2</sup> Jimmy Quinn, *Biden Admin Winds Down Probes into Universities' Foreign Gifts*, NAT'L REVIEW (Oct. 18, 2022).

<sup>3</sup> See Neetu Arnold, *Shadows of Influence, Uncovering Hidden Foreign Funds to America Universities*, NAT'L ASSOC. OF SCHOLARS (Sept. 29, 2024).

<sup>4</sup> 20 U.S.C. § 1011f(a).

<sup>5</sup> *Id.*

<sup>6</sup> U.S. DEP'T OF EDUC. OFFICE OF THE GENERAL COUNSEL, INST. COMPLIANCE WITH SECTION 117 OF THE HIGHER EDUC. ACT OF 1965, 4 (Oct. 2020).

<sup>7</sup> *Id.* at 5.

<sup>8</sup> *Id.* at 7.

Section 117 reporting assures transparency and highlights potential foreign influence in U.S. education, but there are significant limitations that must be addressed. Administrative enforcement and monitoring of Section 117 reporting has been “uneven at best.”<sup>9</sup> A recent congressional report details the Biden Administration’s “abject failure” to enforce the reporting requirements under Section 117.<sup>10</sup> Under former Secretary Betsy DeVos’s leadership, the Department sought to improve transparency and compliance by opening investigations into twelve institutions related to foreign funding, which uncovered \$6.5 billion in previously unreported foreign money.<sup>11</sup> The National Association of Scholars found that Section 117 compliance was “relatively high” during the Trump Administration, but highlighted that “the rapid return to underreporting during the Biden Administration is concerning.”<sup>12</sup> Notably, the Biden Administration relaxed Section 117 enforcement by transferring responsibilities from the Office of the General Counsel to Federal Student Aid,<sup>13</sup> an office that lacks the capacity to enforce the reporting requirements in a meaningful manner.<sup>14</sup> The National Association of Scholars also reported that following the closure of Trump Administration investigations, “little has been done” to investigate institutional compliance, portraying the Biden Administration’s willingness to deviate from a commitment to Section 117 enforcement.<sup>15</sup>

The lax approach to monitoring Section 117 disclosures is exacerbated by the sheer lack of reporting. The Department recognizes, and public reporting confirms, that Section 117 disclosures have been “generally underinclusive and inaccurate.”<sup>16</sup> Historically, a mere five percent of U.S. institutions self-report foreign funding.<sup>17</sup> In 2020, the Department’s Office of the General Counsel released a report detailing Section 117 under-reporting and stated that “there is very real reason for concern that foreign money buys influence or control over teaching and research.”<sup>18</sup> The Department previously claimed that schools are taking Section 117 reporting seriously,<sup>19</sup> but the good faith, self-reporting system leaves loopholes for foreign contracts or gifts to go unnoticed and undisclosed.

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<sup>9</sup> *Exposing the Dangers of the Influence of Foreign Adversaries on College Campuses, Hearing Before H. Subcomm. on Higher Educ. and Workforce Dev.*, 118th Cong., at 1 (written testimony of Paul R. Moore, Former Chief Investigative Counsel, U.S. Dep’t of Educ.).

<sup>10</sup> MAJORITY STAFF REPORT, THE SELECT COMM. ON THE CCP, CCP ON THE QUAD: HOW AMERICAN TAXPAYERS AND UNIVERSITIES FUND THE CCP’S ADVANCED MILITARY AND TECHNOLOGICAL RESEARCH, 3 (Sept. 2024).

<sup>11</sup> INST. COMPLIANCE WITH SECTION 117, *supra* n. 6, at 9.

<sup>12</sup> Arnold, *supra* n. 3, at 16.

<sup>13</sup> Moore Testimony, *supra* n. 9.

<sup>14</sup> See MAJORITY STAFF REPORT, H. COMM. ON OVERSIGHT & ACCOUNTABILITY, CCP POLITICAL WARFARE: FEDERAL AGENCIES URGENTLY NEED A GOVERNMENT-WIDE STRATEGY, at 167 (Oct. 24, 2024) (“The Department of Education admitted that it lacks expertise to assess the comprehensiveness of disclosures under §117.”); see also Paul R. Moore, *The Education Department Should Reverse Its Decision and Provide Real-Time Access to University Foreign Funding Disclosures*, REALCLEAR EDUCATION (July 15, 2024).

<sup>15</sup> Arnold, *supra* n. 3, at 8.

<sup>16</sup> Letter from Reed D. Rubenstein, Principal Deputy Director delegated the Authority and Duties of the General Counsel, Dep’t of Educ., to Hon. Rob Portman, Chairman, Permanent Subcomm. on Investigations, Homeland Security and Gov’t Affairs Comm. (Nov. 27, 2019).

<sup>17</sup> See INST. COMPLIANCE WITH SECTION 117, *supra* n. 6, at 7.

<sup>18</sup> *Id.* at 3.

<sup>19</sup> CCP POLITICAL WARFARE STAFF REPORT, *supra* n. 14, at 167.

Aside from minimal compliance and enforcement of Section 117's self-reporting, apprehensions remain regarding the limited information that disclosures provide. A 2019 bipartisan report from the U.S. Senate Permanent Subcommittee on Investigations found that foreign government spending in U.S. academia is "effectively a black hole" due to the lack of details when disclosures are actually made.<sup>20</sup> Additionally, foundations or other entities affiliated with institutions do not fall under the direct purview of Section 117 reporting requirements, allowing them to be used as a vehicle for contingent funding, propaganda, and overall malign influence.<sup>21</sup> This is particularly alarming because foreign nations leverage academic financial investments to "shape academic programs, steal sensitive research and technology, and promote their soft power agendas."<sup>22</sup> Even more troubling, dozens of American institutions host campuses in foreign, often adversarial, nations, which become instruments for access and financial leverage.<sup>23</sup> American academia remains a target of foreign malign influence, particularly to countries whose interests are antithetical to America and its national security. The Committee seeks to ensure that the Department is safeguarding American education from foreign malign influence efforts that compromise America's academic freedom and national security.

To assist the Committee's oversight of the Department's enforcement and monitoring of Section 117 reporting, we request the following information as soon as possible but no later than March 5, 2025:

1. A list of Section 117 compliance investigations opened since January 20, 2021, including, but not limited to the names of the institutions under investigation, the amounts received, and what entities affiliated with the institutions may have been involved;
2. A list of Section 117 compliance investigations closed after January 20, 2021, including but not limited to, the names of the institutions who were investigated, the amounts received, and what entities affiliated with the institutions may have been involved;
3. All referrals of Section 117 noncompliant institutions to the Attorney General under 20 U.S.C. § 1011f(f)(1) since January 20, 2021;
4. An organizational chart of Federal Student Aid employees, including those who are designated to monitor and enforce Section 117 reporting; and
5. All documents and information regarding how the Department of Education's Office of Federal Student Aid tracks institutions' Section 117 disclosures.

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<sup>20</sup> STAFF REPORT, S. PERMANENT SUBCOMM. ON INVESTIGATIONS, CHINA'S IMPACT ON THE U.S. EDUCATION SYSTEM, at 70 (Feb. 27, 2019).

<sup>21</sup> See *China's Impact on the U.S. Education System*, Hearing Before S. Permanent Subcommittee on Investigations, 116th Cong., at 3 (Feb. 28, 2019) ("It is unclear whether institutions of higher education report foreign gifts and contracts routed through these affiliated foundations....") (written testimony of Mitchell M. Zais, Deputy Secretary, U.S. Dep't of Educ.).

<sup>22</sup> Higher Education Reform Initiative, *Fact Sheet: Combating Foreign Influence on U.S. Campuses*, AMERICA FIRST POLICY INST. (Oct. 11, 2024).

<sup>23</sup> See Jay P. Greene, et al., *Protecting American Universities from Undue Foreign Influence*, THE HERITAGE FOUND., at 4 (Feb. 13, 2024).

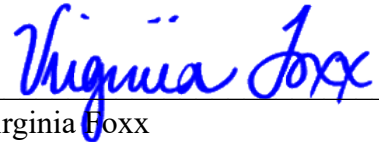
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The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. To arrange for delivery of documents or to ask any related follow up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,



James Comer  
James Comer  
Chairman  
Committee on Oversight and Government Reform



Virginia Foxx  
Virginia Foxx  
Member of Congress

cc: The Honorable Gerald Connolly, Ranking Member  
Committee on Oversight and Government Reform