



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

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Statement by Chairman Ralph Abraham (R-La.)

Scholars or Spies: Foreign Plots Targeting America's Research and Development

Chairman Abraham: This hearing is an opportunity to address the vulnerability of U.S. academic institutions to the threat of foreign exfiltration of valuable science and technology research and development (R&D). Exfiltration is a new word being used to describe the surreptitious removal of data as well as R&D - both of which we'll discuss today. We look forward to hearing from former government and private sector experts about the magnitude and consequences of this threat. We are also interested in learning what actions must be taken to prevent or mitigate this threat in the future, without stifling the collaborative research activities that are critical to the U.S. academic sector.

Over the past few years, case after case has been reported at our universities and colleges, all with similar themes. After obtaining access to data and other valuable information, individuals including professors, students, researchers and visitors - some with strong ties to a foreign nation - attempt to take that knowledge to foreign governments, universities or companies.

As a medical doctor, I found one case particularly concerning. A former associate professor at New York University specializing in MRI technology had been working on research sponsored by a grant from the National Institutes of Health (NIH). According to prosecutors in the initial charges, this individual colluded with representatives from a Chinese-sponsored research institute and concealed the fact that he patented technology developed with NIH funds for the purpose of licensing it to a Chinese medical imaging company for millions of dollars.

This case and others demonstrate the targeting of the innovation and intellectual property from our country's greatest minds and institutions. And in some cases, the ability for foreign nations to gain easy access by exploiting the lax security posture of our academic institutions.

The Science Committee has continuously engaged in vigorous oversight of federally-funded basic research and technology, particularly research with a clear path to commercialization and a direct benefit for U.S. businesses and government. A significant amount of academic research and development is funded by the American taxpayers. Just last year the federal government spent approximately \$1.5 billion on research and development, in addition to the even larger amount of funding provided by private sector U.S. companies and universities.

If this nefarious activity is aimed at recipients of federal grant programs, then it is the American taxpayers that are unwittingly funding the technological advancements and innovative breakthroughs that allow foreign nations to improperly gain a competitive economic advantage.

China has publicly proven itself to be the most aggressive in the targeting of U.S. research over the past decade. China has heavily invested increasing amounts of financial and physical resources to support a science and technology industry that is based on the transfer of basic science, which allows the country to prioritize advanced development and commercialization over basic and fundamental research. Essentially, China steals our fundamental research and quickly capitalizes by commercializing the technology.

While much of the discussion and examples used in today's hearing may focus on China, I want to be clear that this committee is very concerned about *all* foreign nations and agents that are inappropriately attempting to take advantage of American research and development. China's efforts in particular have provided useful examples to analyze, mainly because of their open and aggressive tactics. However, the recent DOJ charges based on Iran's actions are further confirmation that this problem is not confined to China, and we should assume a number of other bad actors are also making similar attempts.

Taking that into account, bolstering the cybersecurity of federal information systems has been among the committee's top priorities. I am hopeful that the discussion here today will highlight efforts to accomplish this objective and make prevention a priority of all recipients of taxpayer dollars. Whether physical or cybersecurity threats, it is clear that our academic institutions are not taking all the necessary steps to adequately protect this vital research.

I look forward to the insight of our witnesses today, which will help us assess these important issues and determine whether additional questions need to be asked of our partners in the executive branch as well as in academia. We hope to better understand the next steps that must be taken to safeguard the competitiveness and security of federally funded research and development, especially the role of U.S. academic institutes.

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