Last night, Senator Carper and I released an investigative report detailing the threat of China’s talent recruitment programs and what it poses to U.S.-funded research. This is, as some of you know, the Subcommittee’s third investigation focusing on China issues. We exposed China’s role in fueling the opioid crisis by shipping the deadly synthetic opioid fentanyl into the United States using the U.S. Postal Service. Earlier this year, we detailed China’s propaganda efforts through the Confucius Institutes on U.S. college campuses and high schools. Both of these investigations, by the way, have resulted in constructive, bipartisan legislative efforts to address the serious problems we identified. And we expect the same will happen with regard to the issue we’re talking about today.

This report follows an eight-month investigation into how the American taxpayer has, in effect, unwittingly funded research that has contributed to China’s global rise over the past 20 years. Through talent recruitment programs, China has strategically and systematically acquired knowledge and intellectual property from researchers and scientists in both the public and private sector—think artificial intelligence of 5G. America built the world’s most successful research enterprise based on certain values, including collaboration, integrity, peer review, transparency, and improving the public good. The open and collaborative nature of research in America is one of the reasons we attract the best and brightest in the world. Some countries, however, have exploited America’s openness to advance their own national interests. The most aggressive is China. For China, international scientific collaboration is not solely about advancing science for the global good, it is, by their own admission, about advancing China’s national security and economic interests.

They have been clear about it; China’s stated goal is to be the world’s leader in science and technology by 2050. To achieve its science and technology goals, China has implemented a whole-of-government campaign to recruit talent and foreign experts from around the world. China uses more than 200 talent recruitment programs to lure foreign-trained scientists, researchers, and entrepreneurs into providing China with technical know-how, expertise, and foreign technology.

Our investigation focused on China’s most prominent program called the Thousand Talents Plan. Launched in 2008, China designed the Thousand Talents Plan to recruit 2,000 high-quality overseas experts. By 2017, China dramatically exceeds its recruitment goal, recruiting more than 7,000 ‘high-end professionals.’ Our report
also details how the Chinese Communist Party controls and administers these talent recruitment programs. Thousand Talents Plan members typically receive a salary and funding for their research from Chinese institutions, such as Chinese universities or research institutions. In exchange for the salary and research funding, which sometimes include what’s called a shadow lab in China, members sign legally binding contracts with the Chinese institutions that typically contain provisions that prevent the members from disclosing their participation in the program. This requirement, of course, runs counter to U.S. regulations that require grant recipients to disclose foreign funding sources. In effect, it incentivizes program members to lie on grant applications to U.S. grant-making agencies and to avoid disclosing their funding from Chinese institutions. China now wants to keep this quiet.

Following increased public scrutiny, a year ago in October 2018, 10 years into the program, China scrubbed online references to the Thousand Talents Plan and deleted the names of the participating scientists and researchers. The names of participating scientists and researchers are no longer publicly available, and we do not reveal the names of individual members in this report, but in the interest of transparency, our report does include examples of Chinese Thousand Talent Plan contracts and case examples of members engaging in illegal and unethical behavior. We thought it was important to publish this information so that the U.S. higher education community and federal government agencies see firsthand that these contracts and case examples contradict our own research values.

These talent recruitment programs are a win-win for China; China wins twice. First, U.S. taxpayers are funding this research, not China. They don’t have to pay for it. And second, China then uses that research it wouldn’t otherwise have to advance its own economic and military interest. The Subcommittee reviewed the federal government’s efforts to mitigate the threat posed by Chinese talent recruitment programs to the U.S. research enterprise. We found that the U.S. government was slow to recognize the threat and even today lacks a coordinated interagency strategy to secure U.S. research.

First and foremost, federal law enforcement must recognize these threats and must inform the public. Despite China publicly announcing the Thousand Talents Plan in 2008, it was not until mid-2018, last year, that FBI headquarters in Washington, D.C. took control of the response to the threat posed by the Thousand Talents Plan. I do appreciate the FBI’s candor in Mr. Brown’s prepared statement for today’s hearing where he says he wishes the FBI had ‘taken more rapid and comprehensive action in the past.’ And I told Mr. Brown that this morning. While I fully understand why there have been complexities in this case, I want you to know that we stand ready to work with the FBI to protect U.S. taxpayer-funded research.
Second, despite spending more than $150 billion of taxpayer money per year funding research and development, our federal grant-making agencies – like the Department of Energy, NIH, National Science Foundation that we’ll hear from today – lack a uniform and coordinated process to award, track, and monitor federal grant funds. That leaves our research dollars vulnerable. As an example, the Department of Energy’s prominent role in advanced research and development make it particularly attractive to the Chinese government. The Department of Energy is the largest federal sponsor of research in the physical sciences. Most of this research occurs in our nation’s National Labs. Through our investigation, we learned that Thousand Talents Plan members worked at National Labs on sensitive research and maintained security clearances. One Thousand Talents Plan member used intellectual property created during work in a National Lab and filed for a U.S. patent under the name of a Chinese company, effectively stealing the U.S. government-funded research and claiming it for the Chinese company. Another member downloaded more than 30,000 files from a National Lab without authorization right before this individual returned to China.

Just last year, NIH, the National Institutes of Health, started reviewing its grants for connections to the Thousand Talents Plan. The NIH found instances of grant fraud by failing to disclose foreign funding and associations; theft of intellectual capital and property; and violations of the peer review process by sharing confidential grant applications, which is against NIH rules. The National Science Foundation has taken several, but yet insufficient, steps in its attempt to mitigate the risk of Chinese talent recruitment programs. In July 2019, just a few months ago, the NSF prohibited its employees from joining talent recruitment programs; but the policy does not apply to the more than 40,000 NSF-funded researchers who actually conduct the research and are the most likely to be members and targets of a talent recruitment program. And NSF doesn’t any employees dedicated to grant oversight.

Third, the State Department is on the front lines here due to its responsibilities to vet visa applications for visiting students and scholars. The State Department has a process to review visa applicants it believes may attempt to steal sensitive technologies or intellectual property, but it rarely denies visas under that process.

Finally, U.S. universities and U.S.-based researchers must take responsibility in addressing this threat. If universities can vet employees for scientific rigor or allegations of plagiarism they also can vet for financial conflicts of interests and foreign sources of funding. These are complicated risks that the U.S. research community and the federal government must better understand. The threat to fundamental research is not always black and white—it’s not always about legal or illegal.
On a more positive note, starting earlier this year, the White House’s Office of Science and Technology Policy has hosted productive seminars and listening sessions with federal agencies and U.S. research institutions on how to respond to these threats. We look forward to working with the White House and the agencies to assist with appropriate legislation.

I will be the first to acknowledge that our relationship with China is complicated. However, one thing is very simple: It is not in our national security interest to fund China’s economic and military development with U.S. taxpayer dollars. I look forward to the hearing today and with that, I turn to Ranking Member Carper for his opening statement.”