

Rep. Gallagher: Raises questions about foreign donations in higher education

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WASHINGTON, D.C. – As first reported by [Fox News](#), Rep. Mike Gallagher (R-WI) wrote to Secretary of Education Miguel Cardona to express concerns about a significant decrease in foreign gifts reported by U.S. higher education institutions since the Biden Administration assumed office.

As required by Section 117 of the Higher Education Act, colleges and universities must disclose gifts from foreign donors. This increases transparency at higher education institutions and allows individuals to track gifts from adversaries like China that use these funds, through organizations like Confucius Institutes, to influence students.

According to reporting posted by the Department of Education, these gifts totaled \$1.6 billion between July 1, 2020 and January 20, 2021. But since January 20, 2021, higher education institutions have reported only \$4.3 million. The Biden Administration also appears to have not opened a single new investigation into Section 117 noncompliance.

In a letter to Secretary Cardona, Rep. Gallagher said, “Given that the volume of foreign gifts to American colleges and universities is unlikely to have dropped so significantly over this period, the clear implication is that American higher education institutions have largely stopped reporting them to the Department in violation of their obligations under Section 117. Moreover, it appears the Department has not opened up any new investigations into Section 117 noncompliance. Given these developments, I am concerned that the Department may have relaxed its enforcement standards and, in the process, thrown the Chinese Communist Party an important lifeline at Beijing’s request.”

The congressman, who [testified](#) about a similar issue before the Wisconsin State Senate last month, then proceeded to ask Secretary Cardona questions about the

Department of Education's enforcement efforts, including:

- Has the Department of Education reinterpreted Section 117 reporting requirements or provided new guidance to institutions of higher education about gift reporting thresholds? If so, has the Department published this guidance on a publicly available website?
- Has the Department of Education opened any new investigations involving Chinese or other foreign money since 1) January 20, 2021 and 2) July 25, 2021?
- Do Confucius Institutes that have “rebranded” under a new name but otherwise continue their operations pose a concern to the Department, particularly when it comes to foreign influence and academic freedom?

See the full letter [HERE](#) or read the text below.

Dear Secretary Cardona,

I write regarding the Department of Education's policies to track foreign influence in American institutions of higher education. Under Section 117 of the Higher Education Act, such institutions are required to report gifts from foreign sources to the Department. This mandate is essential for the U.S. federal government to track the depth and scope of foreign money in U.S. academia – foreign money that often creates financial incentives for universities to act in the policy interests of adversarial foreign governments, such as the People's Republic of China (PRC) and, more specifically, the Chinese Communist Party.

As you are well aware, Confucius Institutes have been a longstanding outpost of CCP influence in U.S. institutes of higher education. As a bipartisan report from the Senate Permanent Subcommittee on Investigations found, “Confucius Institutes exist as one part of China's broader, long-term strategy. Through Confucius Institutes, the Chinese government is attempting to change the impression in the United States and around the world that China is an economic and security threat. Confucius Institutes' soft power encourages complacency towards China's pervasive, long-term initiatives against both government critics at home and businesses and academic institutions abroad.” FBI Director Christopher Wray has likewise warned that Confucius Institutes are “one of many tools” at the disposal of the Chinese Communist Party (CCP) to advance its interests.

In response to threats like Confucius Institutes from the CCP, the Department of Education has undertaken a number of investigations – nineteen, to be precise – in recent years, encapsulated in a groundbreaking report in 2020 on Section 117 compliance that unearthed a previously undisclosed \$6.5 billion in foreign funding. These investigations, along with increased scrutiny of foreign gifts, helped spur \$1.6 billion in disclosures from July 1, 2020, through January 20, 2021 according to the

Department's reporting.

Even while the Department, in recent years, took steps to crack down on nonreporting, CCP outposts like Confucius Institutes began to adapt. According to the National Association of Scholars, as of September 2021, there were 36 Confucius Institutes in the United States, down from more than 100 in 2017. The decrease, however, is not all good news. According to recent reports, Confucius Institutes have begun rebranding in order to skirt congressional sanctions and continue operating as normal.

While the CCP adapted, the Department began, apparently, to ease up on Section 117 enforcement. Since January 20th, reporting appears to have plummeted, with merely \$4.3 million in foreign gifts disclosed. Given that the volume of foreign gifts to American colleges and universities is unlikely to have dropped so significantly over this period, the clear implication is that American higher education institutions have largely stopped reporting them to the Department in violation of their obligations under Section 117. Moreover, it appears the Department has not opened up any new investigations into Section 117 noncompliance.

Given these developments, I am concerned that the Department may have relaxed its enforcement standards and, in the process, thrown the Chinese Communist Party an important lifeline at Beijing's request. When Deputy Secretary of State Wendy Sherman met with PRC officials in Tianjin this past summer, Vice Foreign Minister Xie Feng "urged the United States to stop suppressing...the Confucius Institutes." This demand was one among a litany of other preconditions for any supposed relations reset.

I understand that the Department of Education was not a party to those negotiations, but I am nonetheless concerned that political pressure from the White House or other sources within the administration could be leaving U.S. universities vulnerable to persistent CCP infiltration and disinformation. Moreover, the apparent steep decline in Section 117 reporting, represented by the Department's own data, raises serious questions about policies that are squarely under your purview.

Therefore, I respectfully request answers and any supporting documentation, to the following questions:

- Has the Department of Education reinterpreted Section 117 reporting requirements or provided new guidance to institutions of higher education about gift reporting thresholds? If so, has the Department published this guidance on a publicly available website?
- Has the Department of Education opened any new investigations involving Chinese or other foreign money since 1) January 20, 2021 and 2) July 25, 2021?

- Do Confucius Institutes that have “rebranded” under a new name but otherwise continue their operations pose a concern to the Department, particularly when it comes to foreign influence and academic freedom?

Thank you for your prompt attention to this matter of both American national security and academic freedom.

Sincerely,

Rep. Gallagher.