Good morning.

I’d like to welcome everyone to the Finance Committee’s hearing on foreign threats to taxpayer-funded research.

Taxpayer-funded research has been integral in keeping American medical, defense, information technology, and many other products at the forefront of the world’s market.

Simply said, the United States is the best of the best when it comes to conducting cutting edge medical research.

Our scientists push the envelope to make crucial discoveries and better products, whether it be vaccines, or other medical treatments and intellectual property.

These projects can produce important breakthroughs for patients and industry – for the United States and the world.

We didn’t develop this reputation overnight.

We earned it, through the persistent hard work and dedication of researchers across the country.
I’d like to call that a good old fashioned American work ethic.

I thank them for their service to our country and want them to know that this Committee’s oversight isn’t designed to interfere with the pursuit of knowledge and the free exchange of information in the research field.

Rather, this Committee’s oversight is intended to strengthen the integrity of taxpayer-funded research and to **preserve** our valuable work product.

Truly free collaboration and exchange of information is only possible when data and sources are credible, and the research process can be trusted.

That trust is destroyed when foreign governments and other entities interfere in our research for their gain and to our detriment.

Accordingly, Congress, the Executive Branch, **and** research institutions, must work together to **properly balance** the robust development and exchange of ideas in the research field with reasonable and proportionate common-sense efforts to protect the integrity of the research.

That’s why I’ve engaged in oversight efforts in this field.
Beginning in October of last year, I wrote to the National Institutes of Health, the Department of Health and Human Services, and the Health and Human Services Inspector General about threats to taxpayer-funded research. Since then, I’ve also written to the National Science Foundation and the Department of Defense.

Today, we will focus on foreign threats to research funded by the National Institutes of Health, its granting process, and downstream grantees.

Those threats include spying, theft of intellectual property, disclosure of confidential information, and other related efforts that undermine the integrity of research.

The NIH spends $39 billion of taxpayer money each year on medical research.

**The American people worked hard for that money.**

And the people deserve to know how the government is working to protect that research and the resulting intellectual property from foreign threats.

We know that China is by far the most prolific offender; however they aren’t the only country acting against our interests.
In October 2018, while Chairman of the Judiciary Committee, I held a hearing on China’s non-traditional espionage against the United States.

During that hearing, I broached the issue of China’s focus on our research institutions and taxpayer-funded research.

Today, we can get into more detail regarding those threats.

It’s without dispute that China has focused its energy on leveraging our hard work for their benefit—and to our detriment.

One example hits home for me.

In 2011, Chinese nationals tried to steal genetically modified corn seeds from Iowa. They tried to ship them back to China.

Those seeds were the product of years of research and development.

The Chinese Government says they’re “picking flowers in foreign lands to make honey in China.”

I believe them.
Whether we’re talking about Confucius Institutes spreading propaganda on college campuses, China’s “Talent Programs” that have been called “brain gain” programs, or China planting spies in our industry, the government of China is a serious problem.

In 2013, Chinese nationals were charged with conspiring to steal research funded by a multi-million dollar NIH grant for the benefit of a Chinese governmental entity and a direct competitor of the American university where the research was conducted.

In an August 20, 2018, letter to NIH grantee institutions, NIH called attention to a series of threats posed by foreign entities to the integrity of U.S. biomedical research.

In that letter, NIH warned that foreign actors have “mounted systematic programs to influence NIH researchers and peer reviewers,” may have worked to divert intellectual property produced by NIH-supported research to other countries, and may have contributed resources to NIH-funded researchers in ways which could impact the integrity of the research.

In January of this year, the HHS Inspector General notified me that NIH recently made 12 referrals in this area to the Inspector General.
Those referrals primarily involved Principal Investigators—essentially the primary researchers—on NIH grants conducting medical research at U.S. universities.

Those researchers allegedly failed to meet NIH requirements to disclose foreign affiliations on their grant applications.

That’s a serious problem.

Researchers who are secretly supported by a foreign government while working on U.S. research projects can be more susceptible to the influence and control of the foreign parent. We must know who is financially supporting researchers to better understand whether they might be more dedicated to securing the interests of an adversary than to rigorous scientific and medical advancement.

Our witnesses can speak to those specific threats and the government’s capabilities to detect and deter them.

Today, we have witnesses from the National Institutes of Health, the Health and Human Services Office of National Security, the Health and Human Services Inspector General, and the Department of Homeland Security.

The FBI was invited by the Committee given that they are a critical aspect to counter-intelligence efforts in this field.
The Committee invited them on April 30. That’s 26 business days before the hearing date.

On May 6, the FBI said it would be “unable to participate” in the hearing but failed to explain why.

My staff followed up via email and phone.

On May 7, the FBI reiterated that they will not be able to appear but again failed to explain why.

On May 16, the FBI responded via email and said the “Counterintelligence Division respectfully declines the hearing invite,” yet again failing to explain why.

On May 23, I wrote a letter to the FBI again inviting their attendance.

On May 29, the FBI responded in writing and stated that it “does not have a witness available to attend the hearing and briefing.”

After just about one month of communications between the FBI and my staff, the FBI failed at every turn to explain why the entire Counterintelligence Division did not have a single employee available to attend today’s hearing.
That’s inexcusable and it’s a shame. What a wasted opportunity for them to explain to this Committee and the American people what they’re doing to help these agencies detect and deter threats to our research.

The American people deserve more than a stiff-arm from the FBI.

However, I appreciate the cooperation of the expert witnesses who are here today and I look forward to a robust conversation.

Generally speaking, there are four main issues relating to taxpayer-funded research that we will touch on:

1. **Failure to Disclose**: Some researchers hired to work on U.S. research projects haven’t disclosed that they’ve received financial contributions from foreign countries.

2. **Espionage**: Some researchers are spies and their only purpose is to infiltrate taxpayer-funded research projects to steal intellectual property and bring it to their home country.

3. **Vetting**: The federal government doesn’t vet all researchers hired by U.S. institutions to work on taxpayer-funded research, and neither do the institutions.
4. **Integrity**: Some peer reviewers have shared confidential information from grant applications with foreign governments which would allow them to potentially skip research steps. Some have also attempted to influence funding decisions, undermining the integrity of taxpayer-funded research.

These threats to our research are ongoing, aggressive, and real.

The question is, does the government have the capabilities to detect these threats, combat them, and deter them to protect our research and any intellectual property created from it?

Today is an opportunity for the witnesses to engage in a frank discussion about what that threat is and what we in Congress and the Executive Branch can do together to solve the problem.

Congress and the Executive Branch **must** be on the same page.

So, if you believe there are legislative and policy solutions that will assist you with your already difficult jobs, now is the time to bring it forward.

I look forward to a robust discussion today on these matters.

After this morning’s hearing, the Committee will move this afternoon to a classified briefing on the same subject matter.
I strongly encourage the witnesses to take advantage of the highly classified environment to provide as much information to the Committee as possible.

And with that, I will turn to the Ranking Member for his opening statement.