



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

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Statement by Chairman Lamar Smith (R-Texas)

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

Chairman Smith: Foreign countries' attempts to access and steal U.S. research and development pose an acute risk to our national and economic security. In recent months, the public has become aware that we are under attack from foreign governments that want to steal our technological secrets and scientific discoveries and use them for their own purposes.

Just last month, the U.S. Department of Justice (DOJ) showed how serious the threat is. DOJ indicted nine Iranian nationals for breaking into university computer systems and stealing information and intellectual property worth billions of dollars. This brazen theft was on behalf of the Iranian government and universities in Iran.

This was a widespread and concentrated campaign. Attackers hacked nearly 4,000 accounts of professors across 144 U.S. universities. According to informed sources, the attackers specifically targeted universities engaged in science, technology and medical research.

According to the Justice Department, U.S. universities spent more than \$3.4 billion on creating and developing the scientific information, academic data and intellectual property that was stolen. Nearly \$3.5 billion of U.S. research - some of which was funded by American taxpayers - was illegally taken and is now in the hands of a hostile foreign nation. This is just one example.

Unfortunately, Iran is not the only threat. China has actively and aggressively targeted research and development (R&D) at U.S. academic institutions for years.

The Chinese government has been very clear about its long range plans for achieving global domination in critical areas of science and technology. China, however, has been less forthright about its methods, which include theft of confidential information and technological secrets from U.S. companies, cyber-attacks and other forms of spying to undermine our national security and putting sleeper agents at our research universities to steal our scientific breakthroughs.

Chinese efforts are concentrated in the areas that it has prioritized: artificial intelligence, medical science and national security.

By understanding China's priorities and the lengths to which it is prepared to go, we can adopt an effective approach. But the first step is recognizing the risks we face.

The intelligence community has warned about these threats for years, ranging from cyber-attacks to human manipulation to break-ins. We know that foreign agents routinely target American students and educators in their priority areas. Faculty and administrators must be alert and educated to spot the warning signs of foreign operations.

But many in academia have been unwilling to accept reality and unwilling to take any defensive measures to protect their researchers' work, their universities' scientific assets and taxpayers' investments.

The University of Texas recently rejected funding from the China-United States Exchange Foundation, a China-based and government-connected foundation. The foundation is registered as a foreign agent representing China. The idea of a university taking significant funding from an organization controlled by a foreign government would be contrary to the independence and safeguards needed in academia. This action by the University of Texas was appropriate and the type of proactive oversight that needs to occur at other colleges.

The National Science Foundation's grant guidance is clear - as grant recipients, universities bear full responsibility for the management and results of federally funded projects. The recent indictments of Iranian student-spies and other incidents are clear warnings about the need for swift, strong action. This includes improved cybersecurity, educating researchers to anticipate attempts to steal their work and more careful screening of those who come to the U.S. to study.

I also look forward to hearing from our experts about how we can build appropriate defenses. On the one hand, we must maintain the open and collaborative nature of academic research and development. On the other, we must protect our research and development from actors who seek to do us harm.

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