

TASK FORCE ON SAFEGUARDING UNIVERSITY AND FACULTY ASSETS AND INTERESTS

Town Hall

September 30, 2020

 **University at Buffalo** The State University of New York



SUNY Statement on Foreign Disclosure and Export Controls

- “SUNY campuses are required to instruct faculty, staff and students to follow SUNY’s system-wide conflict of interest policies and local campus policies that require disclosure of outside interests to ensure that these obligations are appropriately met.
- Consider the following best practices:
 - Specifically and explicitly require disclosure of foreign support and positions, both paid and unpaid, in the campus disclosure form; and/or
 - Establish a committee to review potential areas of foreign influence, security threats and any other related issues.”
- Follows guidelines outlined in SUNY policies:
 - [Policy on Unrestricted Dissemination of Research Activities](#)
 - [Policy on Participation of Foreign Nationals in Research Activities](#)

Key takeaways

- The integrity of the research enterprise rests upon core principles and values.
- Principled international collaboration and foreign contributions are critical to the success of the U.S. research enterprise.
- Some individuals and foreign governments violate core principles of integrity and pose risks to research security.
- Hidden diversions of intellectual property weaken the U.S. innovation base and threaten our security and economic competitiveness.
- The U.S. Government is taking deliberate steps to address risks to research security and integrity while maintaining an open and collaborative enterprise.



Transparency and full disclosure are needed to properly assess risks.

For the purposes of this presentation:

A **conflict of interest** is a situation in which an individual, or the individual's spouse or dependent children, has a financial interest or financial relationship that could directly and significantly affect the design, conduct, reporting, or funding of research.

A **conflict of commitment** is a situation in which an individual accepts or incurs conflicting obligations between or among multiple employers or other entities. Many institutional policies define conflicts of commitment as conflicting commitments of time and effort, including obligations to dedicate time in excess of institutional or funding agency policies or commitments. Other types of conflicting obligations, including obligations to improperly share information with, or withhold information from, an employer or funding agency, can also threaten research security and integrity, and are an element of a broader concept of conflicts of commitment.



Examples of behaviors that increase risk and can harm the research enterprise

Irresponsible Conduct that Violates Funding Agency and Institutional Policies:

- Failures to disclose:
 - Financial conflicts of interest
 - Conflicts of commitment
 - External employment arrangements
 - Financial support that overlaps with U.S. funding
 - Shadow laboratories or other parallel research activities
- Diversion of intellectual property
- Peer review violations

Examples of Behaviors that May Violate Laws:

- Theft or diversion of materials and intellectual capital
- Grant Fraud

Potential Impacts:

- **Distorted decisions** about appropriate use of taxpayer funds
- **Hidden transfers** of information, know-how, data, and time
- **Diversion of proprietary information** and pre-publication data to foreign entities
- **Loss of Federal research funding**, or need to replace key personnel
- **Damage to the reputation** of research institutions and researchers
- **Reputational, career, and financial detriment** to individuals
- **Loss of public trust** in the research enterprise



Case study 1: Undisclosed conflicts of interest and commitment

Former chief of eye genetics at the Shiley Eye Institute at University of California San Diego Health:

- Received \$10 million in NIH grants during 11 years at UCSD
- Founded U.S. pharmaceutical R&D company Calcyte Therapeutics
- Undisclosed founder and primary shareholder of a publicly traded Chinese biotech company that specialized in the same work he performed at UCSD
- Multiple undisclosed subsidiaries and additional companies in the U.S., China, and the Cayman Islands
- Undisclosed member of a foreign government sponsored talent recruitment program.

Unreported Conflict of Interest

Unreported Conflict of Interest

Unreported Conflict of Commitment

Impacts:

- **Distorts decisions** about appropriate use of taxpayer funds
- **Hidden transfers** of information, know-how, data, person-time

Researcher resigned from U.S. institution.

Case study 2: Leadership failures to disclose conflicts of interest and commitment

Six scientists at the Moffitt Cancer Center, including the President and CEO and the Center Director, resigned due to violations of conflict of interest rules through their work with China.

- Did not report personal payments or foreign bank accounts totaling hundreds of thousands of dollars in research subsidies and annual salaries.
- Undisclosed members of a foreign government sponsored talent recruitment program.

Unreported Conflict of Interest

Unreported Conflict of Commitment

Impacts:

- **Distorts decisions** about appropriate use of taxpayer funds
- **Hidden transfers** of information, know-how, data, person-time

*Researchers resigned from U.S. institution.
The Center returned more than \$1 million in state money.*



Case study 3: Distortion of the peer review process

Researcher served as a designated peer reviewer for funding agency grants.

- Undisclosed participant in a foreign-government sponsored Talent Recruitment Program
- Diverted proprietary information: Emailed grant applications to scientists in China and to some U.S.-based persons
 - Researcher instructed one recipient of the information to **“keep it to yourself”**
 - Stated in another note, **“Here is the bone and meet [sic] you need.”**
 - Emailed a grant application to a Chinese academic institution offering: **“Some methods you may learn from this proposal. Keep this confidential.”**

Unreported Conflict of Commitment

Violation of Peer Review Process

Impacts:

- **Loss of public trust** in the research enterprise
- **Distorts decisions** about appropriate use of taxpayer funds
- **Diversion of proprietary information** and pre-publication data to foreign entities

Researcher was let go from MD Anderson.

Case as reported by the Cancer Letter, April 26, 2019



Case study 4: Cyber theft of data

Nine hackers working for the Mabna Institute, an Iranian government-sponsored entity, were indicted in 2018 for allegedly hacking into at least 144 U.S. universities and 176 universities in 21 foreign countries.

- Hackers allegedly stole 31.5 terabytes – about 15 billion pages – of academic data. Collectively, the victim universities spent an estimated \$3.4 billion to acquire the data.
- Hackers waged a phishing campaign that successfully compromised the accounts of some 8,000 accounts to steal research and other academic data, such as journals, theses, dissertations and electronic books.

**Theft or
diversion of
materials and
intellectual
capital**

Impacts:

- **Diversion of proprietary information** and pre-publication data to foreign entities

Charged by DOJ on March 23, 2018 for conspiracy to commit computer intrusions, conspiracy to commit wire fraud, unauthorized access to a computer, wire fraud, and aggravated identity theft. Defendant(s) are presumed innocent until proven guilty.



Case study 5: Criminal grant fraud

Researcher found guilty of conspiring to commit federal grant fraud, making false statements, and obstruction by falsification

- Founded a U.S. company and applied for DOE and NSF grants to fund his U.S. company to conduct research between 2014-2016; at least some research had already been completed in China, including by researcher's own "Satellite Lab"
- Signed undisclosed five-year employment agreement with Chinese University in 2014 to serve as Director of Research Institute

**Grant Fraud
"Shadow Lab"**

**Unreported
Conflict of
Commitment**

Impacts:

- **Distorts decisions** about appropriate use of taxpayer funds

*Researcher was found guilty on February 21, 2019.
Case # 7:17-cr-00073 (Western District of Virginia)*



How widespread are behaviors that threaten research security and integrity?

- Data are incomplete but suggest widespread and systemic activity across geographic location and research discipline
- Incidents of concern are not unique to any one background, ethnicity, or nationality
- Other countries have identified similar behaviors in their research enterprises, and we are engaging with them to reach common awareness and share best practices

Inquiries from the National Institutes of Health are currently the most public. As of [June 2020](#):

- Sent notices to over 87 academic and research institutions
- Identified concerns regarding more than 189 scientists
- Nearly all in pre-clinical research, across many fields of biomedicine, all across the United States

The National Science Foundation's inspector general has reported a 20% increase in caseload in the last year

Many cases of concern have involved individuals with undisclosed participation in foreign government sponsored talent recruitment programs



Message from the Chair

- It is critical to remember that we maintain our commitment to creating knowledge. We do not want to stifle that. Collaboration with colleagues from across the country and around the world only feeds our innovation.
- Transparency – Disclose – Awareness
- What we are talking about today applies to all international opportunities presented to members of our community.
- This is about raising awareness of potential threats and then providing the information and tools necessary to protect our faculty and assets.

Agenda

- I. Welcome – Venu Govindaraju
- II. Review Task Force Charge – Provost Weber
- III. Introductory Remarks – Venu Govindaraju
- IV. Review of Draft Report
 - a. Intellectual Property – Mary Kraft
 - b. International Visitors and Collaborations – John Wood
 - c. Information Technology – Brice Bible
 - d. Advancement – Jason Diffenderfer
 - e. Awareness Building and Training – Robert Granfield and Mark Coldren
 - f. Strategic Communications and Coalition Building – Beth Del Genio
- V. Discussion – Venu Govindaraju
- VI. Next Steps – Venu Govindaraju

