



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE GENERAL COUNSEL

July 15, 2025

President Domenico Grasso (Interim)  
Office of the President  
University of Michigan  
1109 Geddes Ave.  
Ann Arbor, MI 48109-1079  
[REDACTED]

*Via electronic and certified mail*

Re: Notice of 20 U.S.C. §1011f Investigation and Records Request

Dear President Grasso:

Pursuant to Section 117 of the Higher Education Act of 1965 (20 U.S.C. §1011f)<sup>1</sup> (“Sec. 117”), the University of Michigan (“UM”), as a postsecondary institutional recipient of federal financial assistance, has an ongoing statutory disclosure obligation for qualifying foreign source gifts and contracts, the value of which is at least \$250,000 (alone or combined) or more annually.

Sec. 117 foreign funding disclosures must be submitted semiannually to the Secretary of Education (“Secretary” or “Department”). Failure to provide timely and accurate reports to the Secretary may result in civil action by the U.S. Department of Justice (“DOJ”) (including action for the full reimbursement of the costs associated with the Department’s and DOJ’s investigation and enforcement efforts).

The Department’s review of UM’s Sec. 117 foreign funding disclosures reveals that incomplete, inaccurate, and untimely disclosures may have been submitted by UM, in possible violation of its foreign source funding statutory disclosure obligations.

UM, an “R1” research institution,<sup>2</sup> notes significant total research expenditures of \$2.04 billion in FY24, including \$1.17 billion in federal research funding from grants and contracts from and with the

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<sup>1</sup> See [U.S.C. Title 20 - EDUCATION](#).

U.S. Departments of Defense, Energy, Transportation, the National Institutes of Health, the National Oceanic and Atmospheric Administration, the National Science Foundation, and other federal agencies.<sup>3</sup>

On June 2, 2025, the U.S. Department of Justice alleged in a criminal complaint that Chinese nationals had recently smuggled dangerous biological materials into the U.S. for use at UM laboratories.<sup>4</sup> Just five days later, DOJ brought additional criminal charges in a separate matter against another UM-affiliated Chinese national for smuggling biological materials into the U.S. for use at a UM laboratory.<sup>5</sup>

These highly disturbing criminal charges against UM-affiliated research personnel follow UM's decision (January 2025) to close its joint research institute with Shanghai Jiao Tong University. Announcement of the closure occurred subsequent to a letter to UM from Chairman John Moolenaar (U.S. House Select Committee on the Chinese Communist Party) which raised serious national security concerns related to China's ability to use the joint institute to contribute to China's "most sensitive defense programs, including nuclear weapons, carrier rockets, satellites, nuclear submarines, and fighter jets."<sup>6</sup> Through UM's Center for Chinese Studies,<sup>7</sup> UM continues to engage in substantial research collaborations with Tsinghua University, Peking University, Fudan University, and Zhejiang University – all universities deeply involved in China's emerging science and technology research efforts directly linked to military programs.

On June 10, 2025, following DOJ's criminal complaints involving UM-affiliated research personnel, interim UM Vice President for Research and Innovation Don Jordan reminded UM research personnel that UM "takes seriously its duty and responsibility to comply with all applicable laws and policies" including "compliance with federal regulations."<sup>8</sup>

Unfortunately, other prominent UM officials have downplayed the vulnerability of research developed at its joint institutes with Chinese research universities. For example, during a Dec. 2022 meeting with

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<sup>2</sup> See <https://carnegieclassifications.acenet.edu/institutions/> (last accessed on July 14, 2025).

<sup>3</sup> See <https://research.umich.edu/news-and-issues/research-annual-reports/fy24-research-annual-report/fy24-federal-agency-reports/> (last accessed on July 14, 2025).

<sup>4</sup> See <https://www.justice.gov/usao-edmi/pr/chinese-nationals-charged-conspiracy-and-smuggling-dangerous-biological-pathogen-us> (last accessed on July 14, 2025).

<sup>5</sup> See <https://www.justice.gov/usao-edmi/pr/alien-wuhan-china-charged-making-false-statements-and-smuggling-biological-materials> (last accessed on July 14, 2025).

<sup>6</sup> See <https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/2024-10-31%20-%20Letter%20to%20UM%20re%20Research%20Security%20House%20Select%20Cmte%20CCP.pdf> (last accessed on July 14, 2025).

<sup>7</sup> See <https://ii.umich.edu/lrcs/about-us.html> (last accessed on July 14, 2025).

<sup>8</sup> See <https://research.umich.edu/upholding-integrity-in-research/> (last accessed on July 14, 2025).

the FBI Director, the director of UM's Center for Chinese Studies,<sup>9</sup> Ann Chih Lin, accused the FBI of "overstat[ing]" the threat of technology transfers to China in academic settings and repeatedly disputed that the Chinese government is engaged in a whole of society effort to obtain technology from the U.S., including emerging technologies developed at federally funded research universities.<sup>10</sup> In the Center's 2022-23 Annual Report, Lin even published an account of her rebuke to the FBI Director of the FBI's "overstated" national security concerns and her attempts to force the FBI to acknowledge that it had unwarranted concerns with the vulnerability of university research to China.<sup>11</sup>

Considering DOJ's recent criminal charges brought against UM-affiliated researchers, Lin's assertions appear to be ill-conceived. Lin's apparent indifference to the national security concerns of the largest single source of funding for UM's annual research expenditures – the American taxpayer – is particularly unsettling. Contrasted with Vice President Jordan's recent letter to UM research personnel unequivocally affirming UM's federal compliance obligations, Lin's remarks also indicate a troubling difference in opinion among senior UM administrative personnel for UM's compliance obligations.

UM's foreign funding compliance *capabilities* appear to be robust and well-resourced, with an Office of the Vice President and General Counsel, a Vice President of Research and Innovation, an Office of Research Compliance Review, an Office of Research and Sponsored Projects. UM's "Michigan Giving" also appears to have been highly successful in its international fundraising efforts.

The University of Michigan has extensive international collaborations and considerable foreign funding. Unfortunately, since January 2021, UM has submitted foreign funding disclosures valued at approximately \$375 million and over 20% of those disclosures – approximately \$86 million – were submitted in an untimely manner. Additionally, many of UM's disclosure reports appear to include transactions in which the counterparty was erroneously identified by UM as nongovernmental.

## **RECORDS REQUEST**

To verify the accuracy and completeness of UM's compliance with Sec. 117's disclosure requirements, please provide the following records within thirty (30) calendar days:

### **1. Tax Records**

- a. IRS Form 990 (Return of Organization Exempt from Income Tax)

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<sup>9</sup> See <https://ii.umich.edu/lrccs/about-us.html> (last accessed on July 14, 2025).

<sup>10</sup> Ken Dilanian, "FBI director defends investigations of Chinese academics in front of university audience," NBC NEWS (Dec. 2, 2022), <https://ii.umich.edu/lrccs/about-us.html> (last accessed on July 14, 2025).

<sup>11</sup> See <https://lsa.umich.edu/content/dam/lrccs-assets/lrccs-documents/LRCCS%20Annual%202022-23%20FINAL.pdf> (last accessed on July 14, 2025).

- b. FinCEN Form 114 (Report of Foreign Bank and Financial Accounts – FBAR) – used to report a financial interest in or signature authority over foreign financial accounts if the aggregate value of the account(s) exceeds \$10,000 at any time during the calendar year.
- c. SEC Form 13F-HR (Report of UM’s institutional investment manager filed by UM’s Office of University Investment or by any external investment managers on UM’s behalf)
- d. The time frame for this request is January 1, 2020, through the present.

## **2. Sec. 117 Compliance Structure**

- a. A true copy of and full written narrative description of the university’s written procedures and administrative systems in place to address and achieve compliance with Sec. 117’s foreign funding disclosure requirements.
- b. An organizational chart (including the names, titles, and contact information for personnel, including contract personnel) identifying the university administration and management personnel responsible for its Sec. 117 compliance.
- c. A true copy of and full written narrative description of the university’s security policies and procedures (*e.g.*, cyber and data security policies, export control and international engagement policies, training and awareness programs, cybersecurity and insider threat training, and incident reporting and enforcement procedures).
- d. A description of UM’s treatment, for Sec. 117 reporting purposes, of Declaration of Finances for International Students (undergraduate and graduate), when the home government’s financial support is indicated.
- e. The time frame for this request is January 1, 2020, through the present.

## **3. International Student, Faculty, and Research Personnel Agreements**

- a. A true copy of each written agreement with a foreign government, foreign educational institution, foreign non-governmental entity, or foreign corporate entity detailing admissions agreements for international students (undergraduate and graduate), faculty, scholars, and any research personnel.
- b. A true copy of each written agreement with a foreign government, foreign educational institution, foreign non-governmental entity, or foreign corporate entity detailing the participation of non-U.S. individuals or entities in university or university-affiliated research collaborations (and any related agreements).
- c. Identification of all university personnel and contract personnel (name, title, contact information) involved in the creation, administration, or management of any of the agreements identified above.
- d. Identification of university personnel and contract personnel (name, title, contact information) involved in the university’s assistance and/or efforts related to F-1 Student Visa (Academic Student), work permits, and travel for international students, faculty, and other personnel.
- e. Identification of university personnel and contract personnel (names, titles, contact information) involved in the university’s Student and Exchange Visitor Program (SEVP) and Form I-20 preparation and certification processes.
- f. The time frame for this request is January 1, 2020, through the present.

#### **4. International Research Collaborations**

- a. A full and complete identification (name, title, contact information) of all university research personnel and contract personnel (not limited to key personnel), undergraduate and graduate, involved in bilateral or multilateral research collaborations with non-U.S. research institutions (including foreign government agencies, foreign educational institutions, foreign corporations, non-governmental foreign entities, and foreign individuals).
- b. A full and complete identification of each federal award, grant, contract (or other instrument of financial support) supporting (in whole or part) each bilateral and multilateral research collaboration identified above.
- c. For each award, grant, contract (or other instrument of financial support) identified above, identify each source of funding by agency, award identification number, award type, award description, and amount obligated.
- d. For each grant identified above, identify the prime award identification number, award description, amount (obligated and outlaid), period of performance, place of performance, recipient details (including the recipient identifier and address), and the identity (name, title, contact information) of each Principal Investigator (or Primary Investigators or Project Directors), Co-Investigator (or Chief Investigators or Project Co-Directors) and any other research or administrative/management personnel supported in whole or part by the grant.
- e. For each federally-funded (in whole or part) bilateral or multilateral research collaboration with non-U.S. research institutions (including foreign government agencies, foreign educational institutions, foreign corporations, non-governmental foreign entities, and foreign individuals), a list and description of foreign funding in support of the bilateral or multilateral research collaboration (including gifts, grants, contracts, or other financial support from foreign government agencies, foreign educational institutions, foreign corporations, non-governmental foreign entities, and foreign individuals).
- f. A complete identification of all legally affiliated university partnerships, ventures, collaborations (bilateral and/or multilateral) or other official relationships outside of the United States between the university (and/or its affiliates) and any foreign government, non-governmental foreign entity, foreign educational institution, foreign research laboratory, foreign corporate entity, or other foreign institution or individual. Identification of these partnerships must include: (a) records executed in support of the partnership, venture, collaboration, or other relationship, (b) timeline of the existence of the partnership, venture, collaboration, or other relationship, (c) purpose of the partnership, venture, collaboration, or other partnership, and (d) location (precise address or addresses) of the partnership, venture, collaboration, or other relationship (if the relationship is “virtual” it must still be identified).
- g. The time frame for this request is January 1, 2020, through the present.

#### **5. Foreign Government Talent Program Compliance**

- a. A true copy of and full narrative description of the university’s written procedures and administrative systems in place to prevent the university, its Principal Investigators (or Primary Investigators or Project Directors), Co-Investigators (or Chief Investigators or

Project Co-Directors) or any other university personnel from participating in Malign Foreign Government Talent Recruitment Programs from a country of concern<sup>12</sup> (or entity or institution or program based in a foreign country of concern).

- b. A true copy of and full narrative description of the university's written procedures and administrative systems in place to ensure its compliance with U.S. export and import control regulations.
- c. Identification of university personnel or contract personnel (name, title, contact information) responsible for the oversight and/or administration of the university's compliance with federal Foreign Government Talent Recruitment Program restrictions and/or export and import control regulations (described *supra*).
- d. Any findings (including full, unredacted internal reports) by the university of violations of federal Foreign Government Talent Recruitment Program restrictions and/or export and import control regulations (described *supra*).
- e. The time frame for this request is January 1, 2020, through the present.

## **6. Foreign Gifts, Grants, Contracts**

- a. A complete list of all foreign gifts, grants, contracts, and/or restricted or conditional gifts, grants, or contracts between the university (and any university-affiliated entity) and any foreign source (to include individuals, governments, non-governmental entities, educational institutions, or corporate entities).
- b. For each record responsive to the list above ("a"), provide a true copy of each gift, grant, or donation agreement, contract, and restricted or conditional gift, grant, or donation agreement or contract (including any modifications thereto) and full descriptions of any oral or unwritten agreements regarding the purpose and/or application thereof.
- c. For each record responsive to the list above ("a"), provide the known UM personnel (name, title, contact information) and entities involved in solicitation, receipt, administration, and/or management of the foreign gift, grant, contract, and/or restricted or conditional gift, grant, or contract.
- d. The time frame for this request is January 1, 2020, through the present.

If UM requires further clarification regarding the requested records, please provide the Department with a written request to the Department contact identified below, *via* electronic mail, describing the need for additional information regarding the records request **no later than ten (10) calendar days after receipt of this notification**.

Under federal law, UM has an ongoing duty to supplement its responses to these records requests. Failure to meet ongoing obligations to continue to preserve data and periodically update searches to retrieve new information could result in sanctions. UM's records production should utilize the following procedures:

- Responsive records should be sequentially numerically indexed (*a.k.a.*, Bates stamped) and reference should be made to the request to which the records are responsive (*e.g.*, item 1).

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<sup>12</sup> 15 U.S.C. § 4651(7)-(8).

- Searches for records in electronic form should include searches of all relevant mobile devices, hard drives, network drives, offline electronic folders, thumb drives, removable drives, records stored in the cloud, and archive files, including, but not limited to, backup tapes. Do not modify the content, the create date, or the last date modified of any record and do not scrub any metadata (with the sole exception of numerical indexing as described above).
- Electronic records should be produced in native format. For e-mails, please place responses in one .pst file per employee.
- All email searches should be conducted by UM's information technology department, or its equivalent, and not by the individuals whose records are being searched. Please provide the name and contact information of the individual(s) who conducted the search, as well as an explanation of how the search was conducted.
- To the extent practicable, please produce all records in a searchable electronic format and not hardcopies.

**As used in this Notice of Investigation and Records Request:**

“Agencies” include any organizations or entities providing services or performing functions or tasks on behalf of another organization, entity, or individual.

“Agent” has its plain and ordinary meaning, indicating that a person, organization, or entity, is acting on behalf of another person, organization, or entity, whether that agency is disclosed or undisclosed.

“Contract” has the meaning given at 20 U.S.C. § 1011f(h)(1).

“Faculty” refers to all teaching positions at UM (including professors of all ranks, teachers, lecturers, and/or researchers whether in a classroom, laboratory, or other educational environment – whether physically or electronically present).

“Foreign source” has the meaning given at 20 U.S.C. § 1011f(h)(2).

“Gift” has the meaning given at 20 U.S.C. § 1011f(h)(3).

“Grant” includes an award of financial assistance whereby a thing(s) of value is transferred by an entity (governmental or non-governmental) to carry out a specific purpose. *See, e.g.,* 31 U.S.C. § 6301 *et seq.*

“Institution” has the meaning given at 20 U.S.C. § 1011f(h)(4) and for the purposes of this request includes UM, its employees, tenured faculty, non-tenured faculty and lecturers, researchers, fellows, graduate students, and all affiliated entities operating substantially under its control or for UM's benefit (*e.g.,* centers, schools, boards, foundations, research facilities, laboratories, branches, partnerships, or non-profit organizations, etc.).

“Record” means all recorded information, regardless of form or characteristics, made or received, and including metadata, such as email, text, and other electronic communications, word processing documents, PDF documents, animations (including PowerPoint™ and other similar programs) spreadsheets, databases, calendars, telephone logs, contact manager information, Internet usage files, network access information, writings, drawings, graphs, charts, photographs, sound recordings, images, financial statements, checks, wire transfers, accounts, ledgers, facsimiles, texts, animations, voicemail files, data generated by calendaring, task management and personal information management (PIM) software (such as Microsoft Outlook), data created with the use of personal data assistants (PDAs), data created with the use of document management software, data created with the use of paper and electronic mail logging and routing software, and other data or data compilations, stored in any medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form. The term “recorded information” also includes all traditional forms of records, regardless of physical form or characteristics.

“Restricted or conditional gift or contract” has the meaning given at 20 U.S.C. § 1011f(h)(5).

“Staff” refers to all members of the university involved in administration of the university and its obligations and commitments (including deans of all ranks, administration officials, other personnel, and support personnel).

If UM asserts attorney-client or attorney-work product privilege for a given record, then it must prepare and submit a privilege log expressly identifying each such record and describing it so the Department may assess the claim’s validity. Please note that no other privileges apply here.

Your record and data preservation obligations are outlined at **Exhibit A**. This investigation is being directed by the Department’s Office of the General Counsel. For details about transmitting the requested records, please contact:

Kevin D. Slupe  
Senior Counsel  
Office of the General Counsel  
U.S. Department of Education  
400 Maryland Ave. SW  
Suite 4C293  
Washington, D.C. 20202  
Kevin.Slupe@ed.gov  
202.987.1933



Sincerely yours,

/s/ Paul R. Moore

Paul R. Moore

Chief Investigative Counsel and

Assistant General Counsel

Office of the General Counsel

U.S. Department of Education

400 Maryland Ave. SW

Suite 4A139

Washington, D.C. 20202

Paul.Moore@ed.gov

202.251.0530

Enclosure (Exhibit A)

## **EXHIBIT A**

### **RECORD PRESERVATION REQUIREMENTS**

This investigation requires preservation of all information from your institution's computer systems, removable electronic media, filing systems, cloud storage system, and other locations relating to the matters that are the subject of the Notice of Investigation. You should immediately preserve all data and information about the data (i.e., backup activity logs and document retention policies) relating to records maintained in the ordinary course of business and that are covered by the Notice of Investigation. Also, you should preserve information available on the following platforms, whether in your possession or the possession of a third party, such as an employee or outside contractor: databases, networks, computer systems, including legacy systems (hardware and software), servers, archives, backup or disaster recovery systems, cloud storage systems, tapes, discs, drives, cartridges and other storage media, laptops, personal computers, internet data, personal digital assistants, handheld wireless devices, mobile telephones, paging devices, and audio systems (including voicemail). You should also preserve all hard copies of records regardless of location.

The laws and rules prohibiting destruction of evidence apply to electronically stored information in the same manner that they apply to other evidence. Accordingly, you must take every reasonable step to preserve relevant records. "Reasonable steps" with respect to these records include:

- Notifying in writing all potential custodians and IT personnel who may have relevant records of their preservation obligations under this investigation.
- Discontinuing all data and document destruction policies.
- Preserving all metadata.
- Preserving relevant records and/or hardware unless an exact replica of the file (a mirror image) is made.
- Preserving passwords, decryption procedures (and accompanying software), network access codes, ID names, manuals, tutorials, written instructions, de-compression, or reconstruction software.
- Maintaining all other pertinent information and tools needed to access, review, and reconstruct necessary to access, view, and/or reconstruct all requested or potentially relevant electronic data.

You have an obligation to preserve all digital or analog electronic files in electronic format, regardless of whether hard copies of the information exist, with all metadata. This includes preserving:

- Active data (i.e., data immediately and easily accessible today).
- Archived/journaled data (i.e., data residing on backup tapes or other storage media).

- Deleted data (i.e., data that has been deleted from a computer hard drive but is recoverable through computer forensic techniques).
- Legacy data (i.e., data created on old or obsolete hardware or software).