

**Congress of the United States**  
**Washington, DC 20515**

May 14, 2025

Dr. Michael V. Drake  
President  
University of California  
1111 Franklin St., 12th Floor  
Oakland, CA 94607

Dear Dr. Drake,

The House Committee on Small Business, the House Committee on Science, Space, and Technology, the House Committee on Education and the Workforce, and the House Select Committee on the Chinese Communist Party (collectively, “the Committees”) write to address the systematic exploitation of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs by foreign adversaries, namely the People’s Republic of China (PRC). On February 26, 2025, the Committees of jurisdiction wrote to eleven federal agencies that administer SBIR and STTR awards to gain a broader understanding of the threat posed by the PRC.<sup>1</sup> As a major research partner in the STTR program and one of the nation’s leading university systems, the University of California (UC) system faces risks associated with PRC efforts to acquire sensitive technology and research. The Committees request documents and information regarding how the UC system manages such risks.

The UC system has a long history of collaboration with small businesses through federally funded innovation programs, making it a critical stakeholder in safeguarding research integrity. Your insights will inform our efforts to strengthen and safeguard the SBIR and STTR programs in advance of their reauthorization in September.

It has become increasingly clear that China is targeting innovations developed by American small businesses funded by the SBIR and STTR programs and may be leveraging partnerships with American universities and research institutions to extract sensitive data and information.<sup>2</sup> Last year, a joint Congressional report on six research institutions, including the University of California, Los Angeles, and the University of California, Berkeley, uncovered how the PRC defense and security establishment benefits from technological advances developed by federally funded researchers at these universities.<sup>3</sup> Further, the Committees share the Administration’s concerns regarding the lack of transparency around foreign funding and poor institutional

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<sup>1</sup> Press Release, H. Comm. on Small Bus., Chairmen Williams, Babin, and Moolenaar Pen Letters to Federal Agencies Addressing Chinese Infiltration into SBIR and STTR Programs (Feb. 26, 2025), <https://smallbusiness.house.gov/news/documentsingle.aspx?DocumentID=407156>.

<sup>2</sup> Kate O’Keeffe, *Pentagon’s China Warning Prompts Calls to Vet U.S. Funding of Startups*, WALL ST. J., (May 8, 2022).

<sup>3</sup> U.S. H. S. Comm. on the Chinese Communist Party, CCP on the Quad: How American Taxpayers and Universities Fund the CCP’s Advanced Military and Technological Research, 118th Cong. (Sep. 2024) (Staff Report).

compliance with Section 117 of the *Higher Education Act*, which obscure the PRC's financial influence on academic and research institutions.<sup>4</sup>

According to a 2021 report commissioned by the Department of Defense (DoD)—*Survey of PRC State-Sponsored Technology Transfers Affecting SBIR Programs*—China deliberately exploits the SBIR and STTR programs to acquire cutting-edge U.S. technology.<sup>5</sup> The report found that Chinese state-sponsored talent programs have successfully recruited key employees from U.S. firms that receive SBIR and STTR funding, many of which are connected to institutions of higher education. This relationship allows recruited employees to funnel taxpayer-funded research and intellectual property to PRC-linked entities.<sup>6</sup> In addition, the PRC has sought to infiltrate universities to extract innovative research and human capital through the use of talent recruitment programs.<sup>7</sup> As a result, the SBIR and STTR programs, designed to support American small business and strengthen our industrial base, have become a backdoor pipeline for China's military and economic ambitions.

Academic institutions are susceptible to exploitation by the PRC's massive resources and infrastructure.<sup>8</sup> By infiltrating universities and businesses that receive SBIR/STTR funding, China is able to use this pathway as yet another avenue to extract sensitive information and undermine both U.S. national security and economic competitiveness. Given that STTR awardees must partner with a research institution, like the UC, the risk posed by foreign adversaries must be a consideration for the security of your institution and its research. Academia is an easy access point for China and other adversaries, as they can insert students through state-sponsored talent programs across universities in the U.S. This allows the students to foster relationships with STTR awardees and associated research institutions. Further, universities and researchers often work collaboratively across the globe, increasing their susceptibility to espionage efforts by adversarial foreign nations.

With the SBIR and STTR programs' authorization set to expire on September 30, 2025, the Committees of jurisdiction will consider legislative and policy changes to end the PRC's exploitation of American taxpayer dollars. This includes considering changes to further bolster American innovation while safeguarding national security. We must ensure that the groundbreaking technologies developed by our small business community remain in the United States.

To assist the Committees in understanding how the UC system currently fulfills its duty to address foreign adversarial threats relating to its research programs, please produce the following documents and information as soon as possible but no later than May 27, 2025.

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<sup>4</sup> *Fact Sheet: President Donald J. Trump Demands Transparency Regarding Foreign Influence at American Universities*, THE WHITE HOUSE (Apr. 23, 2025).

<sup>5</sup> Protecting the National Security Innovation Base Study Group and OSE/Factor 8 Program, *Survey of PRC State-Sponsored Technology Transfers Affecting SBIR Programs* (Apr. 2021).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *The China Threat: Chinese Talent Plans Encourage Trade Secret Theft, Economic Espionage*, U.S. FED. BUR. OF INVESTIGATION (Last visited Feb. 18, 2025) available at <https://www.fbi.gov/investigate/counterintelligence/the-china-threat/chinese-talent-plans>.

1. All current policies or criteria the UC system uses to assess whether it wants to participate in a proposed STTR project, including any changes made to these policies or criteria since January 1, 2021.
2. All current policies or criteria the UC system uses to vet students, graduates, and researchers that participate in the institution's research activities, including, but not limited to, research activities within the STTR program, including any changes made to these policies or criteria since January 1, 2021.
3. All current policies the UC system uses to manage the risks posed by a foreign adversary, as defined in 15 C.F.R. § 791.2, in the institution's research programs, including any changes made to these policies since January 1, 2021.
4. All current policies the UC system uses to manage cybersecurity risks in the institution's research programs.
5. All current policies or criteria the UC system uses to vet events held by groups with connections to foreign adversaries, including any changes made to these policies or criteria since January 1, 2021.
6. The UC system's current policy for handling and remediating incidents of stolen or leaked research, including any changes made to this policy since January 1, 2021.
7. A list of known incidents where the UC's research was exploited or taken by a group or individual associated with, or for the benefit of, an entity headquartered in, or an entity owned or controlled by, a foreign adversary since January 1, 2021.
  - a. Please specify the foreign adversary that owns or controls the entity.
8. A list of all partnerships and agreements the UC system has with entities and groups headquartered within, or an entity owned or controlled by, a foreign adversary since January 1, 2021.
  - a. Please specify the foreign adversary that owns or controls the group or entity listed.
9. A list of events hosted by or at the UC system that featured speakers who are residents or citizens of a foreign adversary since January 1, 2021.
  - a. Please specify the foreign adversary that the speaker represented or is connected to.
10. All policies or procedures the UC system uses to communicate or inform law enforcement or other governmental agencies about suspicious individuals or events

related to the institution's research programs, including any changes made to these policies or procedures since January 1, 2021.

11. All policies or procedures the UC system uses to mitigate influence from foreign adversaries.
12. A list of all funding and investments the UC received from entities and groups headquartered within, or owned or controlled by, a foreign adversary since January 1, 2021.
  - a. Please specify the nature and intent of any funding or investment, as well as the foreign adversary that owns or controls the group or entity listed.

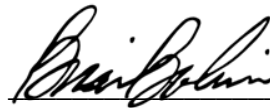
Please contact the Committee on Small Business majority staff at (202) 225-5821 with any questions and to coordinate delivery of your response. The Committee on Small Business has broad authority to investigate "problems of all types of small business" under Rule X of the U.S. House of Representatives. Pursuant to Rule X, the Committee on Science, Space, and Technology is delegated oversight jurisdiction over all laws, programs, and government activities relating to nonmilitary research and development. The House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party has broad authority to investigate and submit policy recommendations on countering the economic, technological, security, and ideological threats of the Chinese Communist Party to the United States and allies and partners of the United States under H. Res. 5 Sec. 4(a). The House Committee on Education and the Workforce has legislative and oversight jurisdiction over "education or labor generally" under Rule X.

Thank you for your attention to this important matter and we look forward to working with you in order to strengthen and safeguard the SBIR and STTR programs.

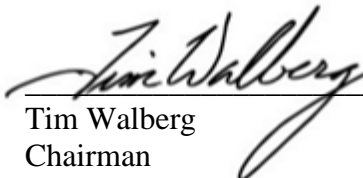
Sincerely,



Roger Williams  
Chairman  
Committee on Small Business



Brian Babin  
Chairman  
Committee on Science, Space, and  
Technology



Tim Walberg  
Chairman  
Committee on Education and  
the Workforce



John Moolenaar  
Chairman  
Select Committee on the CCP

Dr. Michael V. Drake

May 14, 2025

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cc: The Honorable Nydia M. Velázquez, Ranking Member  
Committee on Small Business

The Honorable Zoe Lofgren, Ranking Member  
Committee on Science, Space, and Technology

The Honorable Robert C. Scott, Ranking Member  
Committee on Education and the Workforce

The Honorable Raja Krishnamoorthi, Ranking Member  
Select Committee on the CCP