

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



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RE: ECAS Strategy – Foreign Influence Compliance

Over the past year, we have observed heightened awareness and increased activity related to the issue of foreign influence in academia within the federal government and amongst our peer institutions. Federal funding agencies have issued new requirements and guidance, federal law enforcement agencies have increased prosecutorial activity, and Congress has signed new legislation and sought information on how the academic research community is responding to this evolving issue.

The University of California recognizes that these issues are significant. President Janet Napolitano addressed the essence of these concerns in her letter to the Chancellors and the Lawrence Berkeley National Laboratory Director on February 7th, 2019. In her letter, she requested that Office of Ethics, Compliance, and Audit Services (ECAS) design a compliance plan to address these issues and in support of the University's core mission and commitment to openness in research and international research collaborations.

ECAS has designed a series of compliance measures to address many of the national concerns related to foreign influence while ensuring our university's commitment to fundamental research and the principles of academic freedom. The following compliance areas were designed after extensive meetings with our federal and academic partners. ECAS undertook a systemwide effort to familiarize the leadership and key stakeholders on the breadth and scope of these issues. This has included ongoing meetings with Academic Senate leadership on federal priorities and compliance vulnerabilities. To date, the Regents, Office of the President senior leadership, the Chancellors and the Vice Chancellors of Research have received briefings on this topic, some of which were delivered directly by our federal partners.

Our compliance plan, detailed more fully below, is broken into four categories: (i) training and awareness, (ii) compliance assessments, (iii) internal audits, and (iv) investigative protocols.

I. Training and Awareness Program

In coordination with relevant stakeholders throughout the system, including various compliance work groups and faculty groups, ECAS is developing an enhanced training protocol in an effort to educate individuals on the scope of the issues. These issues center on the need to safeguard academic research from unauthorized use or transfer, the need to disclose all potential conflicts of interest or commitment

(i.e., other support) on federal grant applications and related filings, and the recognition that agreements and associations with certain foreign entities are prohibited and others may be problematic.

ECAS is building out a series of compliance training materials designed to enhance awareness of these areas and to provide continuous updates related to any new developments and regulations in this area. These trainings cover key risk areas and will be delivered by the following methods:

Online Training Modules

ECAS will modify the current research training module on conflicts of interest and commitment to highlight, and clarify, the three areas of most concern to federal funding agencies:

- The requirement to fully disclose and update all financial conflicts of interest and conflicts commitments related to sponsored research;
- The requirement to fully disclose and update “other support” on federal grant applications and progress reports; and
- The requirement to disclose and seek prior approval for a foreign component on a grant.

Systemwide Webinars

ECAS will create a series of systemwide webinars that review and breakdown the federal government’s recent concerns regarding foreign interests and potential threats to the research enterprise. ECAS will discuss the NIH guide notice on “other support and foreign component” and how to facilitate compliance.

Infographics

ECAS will continue to create a series of short, easily digestible, infographics on the highest risk areas (e.g., foreign component, other support, affiliations, and conflicts of interest and commitment). These infographics will be distributed to departments, research administrators, faculty, and sponsored projects offices as well as campus compliance personnel to ensure vertical and horizontal dissemination throughout institution.

Systemwide Communication

ECAS will continue delivering uniform guidance and resources to the entire UC community to ensure all campuses, medical centers, and labs receive consistent and ongoing communication on foreign influence related matters. ECAS will partner with the Office of General Counsel (OGC), Risk, and Research Policy Analysis & Coordination to develop communication related to the following content areas:

- The requirement to disclose all international activities (affiliations with foreign governments, foreign institutes of higher education, talents programs, etc.) in grant applications and disclosures to UC;
- An overview of current federal (NIH, NSF, DOD, DOE) funding policies and grant procedures;
- An overview of federally mandated regulations (COI, Restricted Party Screening, Export Controls);
- A review of data security protocols at the University and while traveling abroad; and
- A creation of a FAQ and resource link page that provides researchers with easy access to applicable University policies, federal grant policies and regulations, and relevant University contacts in these areas.

In addition, ECAS' Cybersecurity Audit Team (CAT) will design cyber security awareness training for PIs that covers the need to safeguard their research in general and protect their information while traveling abroad.

II. Compliance Assessments

In addition to the training efforts described above, ECAS has designed a series of compliance assessment programs to identify potential vulnerabilities in research and related areas and develop mechanisms to close these gaps. ECAS recently completed systemwide assessments of existing export control systems. ECAS will work with campuses to strengthen export control practices systemwide ensuring, among other things, better coordination related to shipping, purchasing, and travel. ECAS is hiring additional expertise in the export control arena to assist campuses in improving their compliance practices.

ECAS will coordinate with the Office of General Counsel and Risk Services to create a systemwide foreign travel system that will include outbound and inbound briefings as well as technical support (e.g., "clean" laptops and dedicated IT support for individuals traveling abroad). When a researcher or staff desires to travel abroad, a safety briefing will be generated that includes specific cyber concerns for a country and when appropriate, an IT professional will assist that individual in traveling with secure hardware and software that minimizes the risk to their research and unauthorized access to the University's data systems.

III. Systemwide Audits

ECAS is performing a series of systemwide audits to assess university activities associated with foreign influence risk, identify deficiencies in internal control, and monitor implementation of corresponding management corrective actions. These audits will include the following procedures:

- An assessment of the design and operating effectiveness of internal controls over reporting and management of conflicts of interest and conflicts of commitment;
- A risk-based evaluation of federally funded contracts and grants to identify potentially undisclosed other financial support, significant financial interests, and/or foreign components by comparing internal and external information; and
- An assessment of processes in place to screen transactions and third party relationships against restricted parties lists.

ECAS will collaborate with federal partners and other research universities to share best practices on auditing approaches and refine risk factors used to target higher risk contracts and grants for detailed testing. Any instances of suspected improper governmental activities (IGAs) identified during these audits will be referred to the Locally Designated Official (LDO) for investigation.

ECAS' Cybersecurity Audit Team (CAT) will also perform a vulnerability assessment and penetration test audits focusing on high risk research areas. During the initial phase of the audit, the CAT will perform a risk analysis to identify high risk research areas across UC that will be in scope for the more detailed audit testing. This analysis will encompass a variety of information sources including, working closely with our other audit efforts in this area, leveraging contract and grant information, collaborating with federal partners, identifying research involving regulated data (e.g., protected health information), analysis of UC networks, and network traffic. Based on the review of available information, the CAT will then select research groups to be in scope for the testing across the UC system. The outcome of the

testing will be to identify weaknesses in the security of the information systems in use in the in scope areas, as well as identify any opportunities for improvement to their overall process for managing vulnerabilities going forward. Any issues identified will be documented in our audit reports, and resolution of the issues will be tracked through our management corrective action process to ensure they are fully addressed.

IV. Investigative Protocols Tracking and Monitoring

ECAS, in conjunction with the OGC, created a systemwide investigative protocol to ensure that federal agency inquiries involving foreign influence are appropriately tracked, escalated and uniformly investigated. These notifications are entered into a separate tier of our hotline system with automatic alerts generated to OGC, ECAS and other relevant stakeholders. ECAS and OGC will assist local campuses in appropriately handling and responding to such inquiries.

In summary, ECAS is coordinating an approach to ensure that key stakeholders are educated on foreign influence risks and requirements, issues regarding foreign influence are raised to leadership, controls are assessed, and any identified issues are addressed in a timely manner. ECAS will continue to assess risks related to foreign influence and will make modifications to this compliance plan when appropriate.