



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE GENERAL COUNSEL

May 8, 2025

President J. Larry Jameson
Office of the President
University of Pennsylvania
1 College Hall, Rm. 100
Philadelphia, PA 19104-6380
[REDACTED]

Via electronic and certified mail

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

Dear President Jameson:

Pursuant to Section 117 of the Higher Education Act of 1965 (20 U.S.C. §1011f)¹ (“Sec. 117”), the University of Pennsylvania, (“UPenn”), 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 UPenn’s Sec. 117 foreign funding disclosures submitted to the Department reveals that incomplete, inaccurate, and untimely disclosures may have been submitted by UPenn, in possible violation of its foreign source funding statutory disclosure obligations.

UPenn’s Troubling Sec. 117 Compliance History

UPenn’s Sec. 117 compliance history is a source of tremendous concern to the Department.

¹ See [U.S.C. Title 20 - EDUCATION](#).

UPenn failed to disclose *any* foreign financial funding until February 2019² - brazenly ignoring the statutory disclosure requirement enacted in 1986 (Sec. 117) to which other prominent, well-funded universities had engaged in compliance efforts.

Once it began submitting statutorily required foreign funding information in 2019, UPenn disclosed 2,042 qualifying financial transactions involving foreign sources, revealing extremely high levels of foreign funding.

According to UPenn's disclosure reports, foreign gifts and contracts received by UPenn through 2017 were valued at approximately \$358 million dollars. After the establishment of the Penn-Biden Center in 2018³, foreign financial influence grew dramatically, totaling approximately \$2.3 billion by 2025—a 542% increase in reportable foreign funding since 2018.

Found within the 2,042 foreign funding disclosures submitted since 2019, UPenn frequently masked the identity of foreign donors who had engaged in particularly large qualifying transactions with UPenn (a practice known as “anonymizing” donors, now explicitly disallowed by the Department).

The number of foreign donors whose identities remain undisclosed by UPenn is extremely large. For example, of the 692 disclosure reports submitted by UPenn between February 2019 and June 2020, 176 of them—valued at approximately \$80 million—were reported as anonymous foreign sources by UPenn,⁴ although it's inconceivable that UPenn was unaware of the identity of these significant donors.

UPenn's Ongoing Compliance Failures

Among the 115 foreign funding disclosure reports UPenn submitted in January 2025 (including one foreign sources transaction dated 2006), UPenn failed to promptly report at least 61- a 53% non-compliance rate on timeliness alone. Among additional untimely reports, 40 transactions involve a single foreign source with whom UPenn untimely reported 8 transactions worth \$1.64 billion between

² UPenn's first Sec. 117 report to the Department occurred nearly concurrently with the testimony of Deputy Secretary of Education, Mitchell Zais, on the impact of undisclosed foreign funding in higher education before the U.S. Senate Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations. *See* Senate Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations, Statement of General Mitchell M. “Mick” Zais (February 28, 2019), *available at* www.hsgac.senate.gov/wp-content/uploads/imo/media/doc/2019-02-28%20Zais%20Testimony%20-%20PSI.pdf.

³ Lauren Hertzler, “Penn's new home in Washington,” PENN TODAY (February 18, 2018), *available at* <https://global.upenn.edu/penn-washington/the-creation-of-penn-washington/>.

⁴ According to the foreign funding disclosures that UPenn submitted to the Department, 39 of those transactions, valued at approximately \$31 million, were from Chinese sources.

January 2022 and July 2024. These large and untimely submissions are indicative of UPenn's failure to adhere to the Department's disclosure guidance.⁵

It also appears that at least 90 reportable transactions between July 2021 and July 2024 included erroneous identifications of restricted and/or conditional foreign gifts and contracts, indicating insufficient reporting diligence by UPenn.

Many of UPenn's disclosure reports also reveal a lack of reporting consistency between the country of attribution (of the qualifying foreign gift or contract) and the reported location of the foreign source, suggesting due diligence deficiencies in UPenn's compliance processes.

In sum, UPenn's disclosure reports appear to include: (1) transactions that were reported where the counterparty was erroneously classified as non-governmental; (2) incomplete descriptions for restricted transactions; and (3) multiple reporting errors related to foreign agents and entities.

RECORDS REQUEST

To verify the accuracy and completeness of UPenn'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)
- 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. The time frame for this request is January 1, 2017, 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. The time frame for this request is January 1, 2017, through the present.

⁵ See "Section 117 Frequently Asked Questions" available at <https://fsapartners.ed.gov/knowledge-center/topics/section-117-foreign-gift-and-contract-reporting/resources/frequently-asked-questions> (responses to AMNT-Q2, CR-Q1, CR-Q4, and CR-Q5).

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, 2017, 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, 2017, 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 concern⁶ (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, 2017, 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).

⁶ 15 U.S.C. § 4651(7)-(8).

- 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 UPenn 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, 2017, through the present.

If UPenn 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, UPenn 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. UPenn’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).
- 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 UPenn’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.

Should you have any questions about the method or format of production please contact Senior Counsel Kevin D. Slupe (contact information *infra*).

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 UPenn (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 UPenn, its employees, tenured faculty, non-tenured faculty and lecturers, researchers, fellows, graduate students, and all affiliated entities operating substantially under its control or for UPenn’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 UPenn 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. To arrange transmission of the requested information, or should you have any other questions, please contact:

Kevin D. Slupe
Senior Counsel
Office of the General Counsel
U.S. Department of Education
400 Maryland Ave. SW
Suite 7W201
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
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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).