



Public Service Announcement

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Foreign Government-Sponsored Talent Recruitment Plans, such as China's Talent Plans, Incentivize Economic Espionage and Theft of Trade Secrets

What are Foreign Government-Sponsored Talent Recruitment Programs?

The United States welcomes international students, scholars, and researchers in the pursuit of intellectual collaboration and business advancement. It is therefore critical for U.S. businesses, universities, and granting institutions to be aware of potential financial risks and past illegal conduct that has been associated with foreign-government-sponsored talent recruitment programs, such as China's so-called "Talent Plans." Such knowledge will enable individuals, businesses, and institutions to take appropriate steps to safeguard themselves and their intellectual property.

A foreign-government-sponsored talent recruitment program is an effort to recruit science and technology professors, researchers, and even students, which is directly or indirectly organized, managed, or funded by a foreign government or institution. Individuals are often recruited without regard to citizenship or national origin, and positions may be full- or part-time. Foreign-government-sponsored talent recruitment programs often seek to import or otherwise acquire proprietary technology or software, unpublished data and methods, and intellectual property from abroad—sometimes obtained through illicit means—to modernize the foreign nation's military and grow its economy.

Undisclosed obligations to a foreign-government-sponsored talent recruitment program may distort decisions about the appropriate use of taxpayer funds when grant-funding agencies, unaware of an employee's foreign obligations and funding streams, awards an employee a federal grant. Further, for some projects, undisclosed participation may pose risks to U.S. national security as it is not possible to properly assess potential harm without knowing an individual's obligation to a foreign government.

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Impact of Chinese Talent Plans

Though various countries use talent recruitment programs, China is by far the most prolific sponsor of such programs through what it calls talent plans. The United States is a priority target for China's talent plan recruitment efforts given the United States' leadership in key technology fields. China's national and local government entities oversee hundreds of talent plans, and all are designed to acquire foreign technologies needed to augment China's comprehensive national strategy, as outlined in China's Made in China 2025 and Five-Year Plans. The talent plans target technologies identified by China's government as priorities and include sub-programs specifically tailored to recruit both ethnic and non-ethnic Chinese experts in a variety of technology sectors. Some talent plans allow awardees to participate on a part-time basis, which enables recruits to enter into a contract with a talent plan while maintaining their U.S.-based employment, including possible access to intellectual property (IP), trade secrets, pre-publication data and methods, and U.S. funding for their research.

Chinese talent plans create a contractual obligation between researchers, other leading experts, and the Government of China to transfer information, technology, or IP from the United States and other nations to China in furtherance of China's national, military, and economic goals. These transfers can be legal, as part of an appropriate business arrangement or research exchange; however, the plans usually incentivize undisclosed and illicit transfers of technology as well.

China's talent plans offer multiple financial, personal, and professional benefits to participants in exchange for technology developed or produced outside of China that is thereafter provided to universities, businesses, and state-owned enterprises within China. Such transfers are usually one-way and do not benefit the originating business, university, or nation. China's talent plan applicants must demonstrate either expertise in, or access to, a technology not possessed by China and are often required to create a finished project on an accelerated timeline. Talent plan members and applicants are many and may include your students and/or employees. They have been known to leverage information from their current U.S.-based projects to support talent plan applications, usually at the behest of China-based recruitment advisers. Such transfers may occur regardless of whether the individual owns the IP rights. Additionally, once accepted, talent plan members are encouraged to provide China with a more advanced or next generation version of their U.S.-based work. Participants who work in China are susceptible to significant pressure if they fail to meet the accelerated research timelines, and they may be induced to use knowledge obtained in U.S. businesses, laboratories, and universities to meet their contractual research obligations.

In June 2017, a South China Morning Post article "America's Hidden Role in Chinese Weapons Research," noted that China's talent recruitment efforts successfully recruited researchers from around the world to work on key national programs, including military technologies such as

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hypersonics, missile defense systems, and acoustically advanced submarines. Other notable areas that have benefitted from China's government-sponsored talent recruitment efforts are nuclear energy, wind tunnel design, telecommunications, and advanced lasers. Many recruits are from prominent U.S. national laboratories, where the U.S. Government conducts both basic and applied research. This research is often a precursor to sensitive military projects or transformational scientific breakthroughs.

China's talent plans not only impact corporations, universities, and labs through the loss of sensitive or unpublished data and research, but can also harm individual researchers and scientists. The unauthorized transfer of research information jeopardizes researchers' professional credibility and their ability to obtain future research funding, which denies the rightful owner the professional and financial benefits of their work. There is also a risk of criminal prosecution when researchers steal IP or fraudulently misuse federal grant funds. Regardless of prosecution, the damage done by IP theft is irreversible.

Relevant Information for U.S. Businesses, Universities, and Granting Institutions

While sometimes cloaked as international collaboration, China's talent plans often create a one-way transfer of technology and expertise to the detriment of U.S. businesses, universities, and granting institutions. Talent plan members agree to be subject to China's laws, including national security, IP, and secrecy laws, which effectively prohibit the member from sharing new technology developments or research breakthroughs with their U.S. employer or funding agency without special authorization from China's government, undermining reciprocity of research. China's talent plan participants are often contractually required to recruit other experts into the talent plan community as well. Such a requirement may create further risk to the talent plan participant's U.S. employer given that participant's proximity to co-workers.

Relevant Information for Individual Researchers and Academics

It is essential for researchers and academics to be aware that foreign governments are attempting to acquire U.S. research, including through illicit means. Though participation in a foreign-government-sponsored talent plan is not in itself illegal, participation in such plans may violate U.S. law, particularly if the participant fails to appropriately disclose the talent plan affiliation. Historically, foreign-government-sponsored talent plan participants have pleaded guilty or been convicted at trial of the following offenses: export-control law violations; economic espionage and theft of trade secrets; and grant and tax fraud.

Finally, an employee's failure to properly disclose foreign financial support, including foreign talent plan participation, may result in lasting financial damages to a business, university, or research institution given that it may entail future inability to obtain federal research funding. Researchers and academics must familiarize themselves with disclosure and conflict-of-interest requirements imposed by their employers and the U.S. Government and carefully review any

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foreign contracts or agreements into which they may wish to enter. Transparency and full disclosure of the terms of participation in these talent plans are essential for U.S. research institutions, businesses, and funding and security agencies to appropriately assess risk. Establishing and implementing transparency regarding all sources of research support is necessary to avoid abuse of the open access offered by the U.S. research environment and to create a grant-funding program that is fair and equitable.

For More Information

["Fundamental Research Security,"](#) U.S. National Science Foundation, December 2019.

["Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans,"](#) U.S. Senate Permanent Subcommittee on Investigations, November 2019.

["Enhancing the Security and Integrity of America's Research Enterprise"](#) Office of Science and Technology Policy, June 2020.

["Department Of Justice Reaches \\$5.5 Million Settlement With Van Andel Research Institute To Resolve Allegations Of Undisclosed Chinese Grants To Two Researchers,"](#) U.S. Department of Justice, December 2019.

["Harvard University Professor and Two Chinese Nationals Charged in Three Separate China Related Cases"](#), U.S. Department of Justice, December 2019

["Former Virginia Tech Professor Found Guilty of False Statements, Obstruction"](#), U.S. Department of Justice, February 2019.