



Internal Audit Report

Foreign Influence

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I. EXECUTIVE SUMMARY

Audit and Management Advisory Services has completed a systemwide audit of Foreign Influence. The objective of the audit was to evaluate the system of internal controls in place to manage risks identified by the federal government related to foreign influence. For the context of this audit, foreign influence refers to the concern that foreign entities may be using the academic research enterprise in an attempt to compromise the United States' economic competitiveness and national security. This audit was included on the campus FY20 Internal Audit Plan.

Overall, we did not find any specific internal control weakness at UC Santa Cruz requiring immediate corrective actions in regards to managing risk related to foreign influence.

UCSC does not have a single central authority responsible for controlling the risk of foreign influence on campus. Instead, there are a number of key players throughout the campus that play important roles within their specific purview. These organizations include, but are not limited to:

- The Office of Research
- The Academic Personnel Office
- Academic Divisions
- The Division of Global Engagement
- University Relations
- The Financial Aid Office

Training on foreign influence risks and compliance requirements for PIs is primarily achieved through the electronic training provided and required by funding agencies (e.g. NIH, NSF, etc.). The campus generally has not created its own local training. The Office of Research Compliance Administration is responsible for tracking PIs that have completed mandatory training and generally maintaining compliance in this area.

We conducted a sample test of NIH grants using an online reporting tool and did not find any particular concerns of note.

Due to the nature of foreign influence, there will be some level of risk that will be hard to avoid. This risk is due to a number of factors:

- Conflict of interests and conflict of commitments are inherently difficult for the university to detect unless principal investigators themselves disclose this information. Additionally, there is currently little or no effective processes in place to compare the various systems and forms used to detect if PIs fail to disclose these potential conflicts.
- With the responsibilities related to foreign influence crossing over a wide variety of key players, some gaps may exist in the management of risk.
- Academic freedom is a concern for many PIs that may potentially conflict with controls to prevent foreign influence. This is an area that would require cultural change within the organization for PIs to value compliance with foreign influence controls as much as they value academic freedom.
- There is relatively little overarching UC policy related to foreign influence. Instead, controls related to foreign influence fall under a number of different policies that are not focused specifically on foreign influence risks.

II. INTRODUCTION

Purpose

The objective of the audit was to evaluate the system of internal controls in place to manage risks identified by the federal government related to foreign influence. For the context of this audit, foreign influence refers to the concern that foreign entities may be using the academic research enterprise in an attempt to compromise the United States' economic competitiveness and national security. This was a systemwide audit following a common audit program.

Background

In early 2018, NIH and NSF, among other federal funding agencies, began to raise awareness of undue foreign influence on research integrity. The federal government is also paying close attention to foreign influence at institutions of higher education.

The primary thrust of the U.S. government's concerns fall into four buckets:

1. Peer review violations
2. Failure to disclose substantial foreign resources
3. Failure to disclose significant foreign financial interest
4. Compliance with U.S. export control laws and regulations

In addition to the NIH and NSF grant policies and the federal Financial Conflict of Interest (FCOI) regulation, the University of California has existing policies to manage conflicts of interest and conflicts of commitment in research.

Conflict of Commitment

A conflict of commitment occurs when a faculty member's outside activities interfere with the faculty member's professional obligations to the University of California.

Relevant UC Policies:

- ***APM 025, "Conflict of Commitment and Outside Activities of Faculty Members"***

This policy defines which outside professional activities must be disclosed to the university, approved prior to engagement, and/or reported annually. This policy limits the amount of time a faculty member may devote to outside professional activities and describes the requirements when involving a student in outside professional activities. It defines activities as Category I, II, or III, and includes a Prior Approval form as well as an Annual Reporting form. All faculty who are not members of a Health Sciences Compensation Plan (HSCP) are subject to this policy; however, faculty holding appointments of less than 50 percent time are not subject to the annual reporting and prior approval requirements.

- ***APM 240, Deans – Appointment and Promotion***

This policy is specific to academic deans, defined as a head of a division, college, school, or other similar academic unit, with administrative responsibility for that unit. APM 240-20c outlines additional restrictions on outside professional activities for deans beyond the requirements of APM 025/671.

- ***APM 246 “Faculty Administrators (100% Time)”***

Faculty administrators who are appointed at 100% time are primarily responsible for administrative duties, but maintain their underlying faculty appointment. A faculty administrator holds a concurrent university faculty appointment. APM 246-20c outlines additional restrictions on outside professional activities for faculty administrators beyond the requirements of APM 025/671.

- ***APM 671, “Conflict of Commitment and Outside Activities of Health Sciences Compensation Plan Participants”***

Faculty who are members of a Health Sciences Compensation Plan (HSCP) have additional requirements related to outside professional activities that are specific to income earned while engaged in outside professional activities. This policy also defines monitoring, compliance, and consequences for noncompliance. Faculty members appointed in health sciences schools that are not participants in the HSCP are subject to APM-025.

Conflict of Interest

A financial conflict of Interest exists when the institution, through its designated official(s), reasonably determines that an investigator’s significant financial interest is related to a research project, and could directly and significantly affect the design, conduct or reporting of the funded research. "A conflict of interest in research exists when the individual has interests in the outcome of the research that may lead to a personal advantage and that might therefore, in actuality or appearance, compromise the integrity of the research." Within the state of California, PIs are required to use the 700U form for private funding.

Relevant UC and Sponsor Policies

- UC NSF Policy
- UC NIH (PHS) Policy
- Institutional Conflicts of Interest RPAC Memo 11-05
- 45 CFR Part 50

Export Control

Federal export controls govern items, information, and services taken, sent, or provided to other countries or shared with foreign nationals in the U.S. These controls are intended to protect U.S. economic interests and national security. Federal export controls are managed by multiple federal agencies, are complex, and can change frequently.

Relevant UC Policy:

- UC Export Control Policy

Scope

The scope of the audit includes activities in the following areas relevant to foreign influence risk:

- Conflicts of interest
- Conflicts of commitment
- Export controls
- Sponsored programs/grant processing
- Development and alumni relations
- Visas for international scholars and student/graduate studies
- International activities
- Academic departments and faculty
- Intellectual property security and control
- Training
- Policy

III. Results

We did not find any specific internal control weakness at UC Santa Cruz requiring immediate corrective actions in regards to managing risk related to foreign influence.

Generally, UCSC does not have a single central authority or standard mechanism to control risks associated with foreign influence. Instead we found that the controls for foreign influence come from a variety of sources and involve a number of key players.

Roles and Responsibilities

UCSC does not have a single central authority responsible for controlling the risk of foreign influence on campus. Instead there are a number of key players throughout campus that play important roles within their specific purview. These organizations include, but are not limited to:

- The Office of Research
- Academic Divisions
- The Academic Personnel Office
- The Division of Global Engagement
- University Relations
- The Financial Aid Office

The Office of Research

The Office of Research plays a prominent role in the matter of foreign influence. Specifically, the Office of Research has primary responsibility for research policy, planning and administration of the UCSC Research enterprise mission. Within the Office of Research there are four offices that play major roles related to foreign influence:

1. The **Office of Sponsored Projects (OSP)** is responsible for soliciting and accepting contracts and grants for research and other sponsored projects on behalf of The Regents of The University of California. Principal investigators (PI)s submit grant applications through the Cayuse system and OSP then provides a review of these submissions for compliance with local, UC, and the funding organization policies. Therefore, while OSP does not explicitly review grants from the lense of potential foreign influence, they do provide a layer of campus oversight in which red flags could potentially be raised in relation to foreign influence.

As part of the grant application process, PIs have an opportunity to disclose if they have potential conflicts of interest during the biosketch portion of the application. Ultimatly this information is entered into Cayuse. This PI self-disclosure is perhaps the single most important control in regards to foreign influence. This control is important, but is susceptible to PIs failing to report these conflicts. OSP conducts regular outreach with PIs to talk about the critical importance of self-disclosure.

2. The **Office of Research Compliance Administration (ORCA)** works together with the UCSC research community to ensure UCSC research is conducted ethically and consistent with federal and state regulations and with UCSC policies. When PIs make a conflict of interest (COI) disclosure, which is done primarily through

completing specific state and federal forms, this disclosure is reviewed by ORCA. Depending on the nature of the disclosure, the director of ORCA can adjudicate the disclosure itself or have a COI committee address the disclosure. Management plans are created to address these disclosures and the completion of the plan is later audited by ORCA.

It is important to note that ORCA is relying on PIs to be truthful in reporting their potential COIs as they generally only review positive disclosures. ORCA does not have a good way of policing what PIs input and ORCA does not conduct analysis on the accuracy of non-disclosures as they would not have a logical way of doing so. While ORCA has access to the Outside Activities Tracking System (OATS), which is managed by the Academic Personnel Office, there is not currently a logical process in place to compare information within this system with other systems and forms (like the 700U) to police PI's entries.

Finally, ORCA also provides a number of reference documents to help PIs properly fill in required forms in order to be in compliance with agency expectations for grants they are applying for. Again, because the disclosure process relies on the accuracy of PIs input, training PIs is an especially important control.

3. The **director of Research Integrity** serves as the campus export control officer for compliance with local, UC, and federal policies. This individual plays a key role in managing foreign influence risk broadly as their purview crosses over many different functions. A key challenge, however, is that this office only has visibility over what is disclosed to them.
4. The **Industry Alliances and Technology Commercializations** contains several offices that play a role in areas that must be aware of foreign influence concerns including the Intellectual Property Management Office, the Industry Alliances and Licensing Office, and the Industry Agreements Office. These offices support the university in the various stages of the intellectual property (IP) management process, including invention disclosures, patent prosecution, copyright registration, licensing, commercialization, industry agreements, material transfer agreements, and data use agreements.

The Intellectual Property Management unit manages the patent process by requiring employees to sign the UC Patent Acknowledgement. They also hold formal and information trainings including outreach at department meetings and individual discussions with inventors. This office manages the original records of inventions electronically and has controlled access to these files.

The Industry Alliances and Licensing Office assists with the licensing of UCSC intellectual property to industry to promote active development and commercialization of inventions. Licenses generate royalty revenue, which is used to support further research and education, with a share of the income going to the inventors.

The Industry Agreements Office plays a role in managing the contractual aspects of research collaborations between UCSC researchers and industry. This includes the management of non-disclosure agreements, material transfer agreements, and data transfer agreements.

Academic Division

Academic divisions also play an important role in managing foreign influence risks, especially due to the fact that the PIs themselves reside within the academic divisions. Generally, scientific research that receives state and federal funding and is likely to create valuable intellectual property, especially in STEM fields, is most at risk of foreign influence. At UCSC, the Baskin School of Engineering and Physical and Biological Sciences Divisions specifically are most at risk.

We found differing levels of controls related to foreign influence depending on the individual department inquired. For example, some departments locally review grant applications prior to their submission to OSP, while other departments do not provide any such reviews. Some departments had informal training related to foreign influence. No departments had created any formal training beyond what was already required from state and federal grant agencies.

Deans are responsible for signing off on any conflict of commitment issue raised as a result of the COI committee's management plan (the COI committee also deals with conflicts of commitment). This is a positive control. Deans are also responsible for fostering a culture within the division that emphasizes the importance of compliance and ethical behaviors including disclosing potential conflicts.

The Academic Personnel Office

The mission of the Academic Personnel Office is to facilitate the recruitment, appointment, advancement, and retention of faculty and academic appointees. Within the context of foreign influence, one key role the Academic Personnel Office has is to manage conflict of commitment tracking via the UC Outside Tracking Activity System (OATS). OATS is a web-based application through which university faculty members can report outside activities and income, in accordance with UCOP conflict of commitment policies.

The Academic Personnel Office has a FAQ and links to various resources and trainings for individuals completing information within the OATS portal. Ultimately, PIs are responsible for reporting properly in this system (whether category 1, 2, etc.) in accordance with the grants they are applying for. Therefore, as with other COI reporting, the accuracy of the information within OATS depends primarily on how truthfully and accurately PIs report information within the portal.

The Division of Global Engagement

The Division of Global Engagement is responsible for promoting international cooperation in teaching, research, and other fields of mutual interest with the development of formal partnership and affiliation between UCSC and universities, foreign government agencies, and non-profit organizations abroad. Within the division, two departments in particular have a role in matters that may be at risk of foreign influence.

1. International Student and Scholar Service (ISSS) supports academic units in facilitating and monitoring immigration compliance for scholars and students. Incoming grad students request documents from ISSS to complete and apply for a visa at the consulate. Similarly for scholars, the hosting department requests ISSS for the appropriate forms for the scholars to fill out and apply at a consulate.

All information related to the duration of scholar and student stays, as well as the subject of the research conducted by these individuals, are submitted to ISSS as part of the sponsorship application packet and kept by the department, division, and Academic Personnel Office.

There is currently no UC policy or guidance on how screening should be conducted for these individuals. So, while ISSS has access to restricted party screening as part of visual compliance, they stated that they have not been using it consistently.

2. Global Initiatives manages and tracks UCSC's growing portfolio of international partnerships, provides communications planning and support across the division, and data analysis to inform partnership development strategy. The department assists faculty and academic departments in seeking the appropriate reviews and approvals for international agreements with foreign sponsoring agencies. The

vast majority of international agreements that the office reviews are MOUs and bilateral student exchange agreements for undergraduates.

Global Initiatives also manages GlobalConnect, which records all international collaborations that have been initiated, reviewed, and/or administered by the division. The database primarily contains records of agreements of affiliation between UCSC and foreign institutions. The database also contains records of collaboration that have been disclosed to the division by faculty.

There is a UC policy requiring restricted policy screening, however there is no further UC guidance on entities not specifically on the prohibited entities lists.

University Relations

University Relations (UR), specifically the philanthropy department, oversees the solicitation programs for donations to strengthen and advance campus initiatives. There is specific UC policy on the classification and treatment of gifts vs grants: if money received comes with a requirement of some form of deliverable it is treated as a grant or contract and is referred to the Office of Research. University Relations does not screen donors for foreign associations, nor do they have specific questions related to the source of gift funding.

On a quarterly basis, UR reports restricted and unrestricted cash giving, not including grants, to UCOP via UC Advanced Reporting System.

Financial Aid Office

The Financial Aid Office tracks Department of Education, Section 117, foreign gift and award reporting. The Financial Aid Office obtains information from campus sources, consolidates it, and reports semiannually to the Department of Education. The Financial Aid Office fulfills the reporting function, but it does not access, verify or analyze the information.

The requirements of section 117 reporting recently changed in January 2020. There has been a workgroup recently formed to address these changes with the Office of Research, University Relations, and campus counsel.

Internal Audit is planning to conduct an audit next fiscal year specifically on section 117 reporting during FY21.

Policies and Databases

Generally, the campus relies primarily on UC and funding organization policies from state and federal agencies rather than local UCSC policies. UC policies themselves are more restrictive than these state and federal policies, but generally align fairly closely with the requirements of common sources of federal and state grants.

While there is not a local UCSC policy that deals specifically with the risks of foreign influence, there are some manuals and operating procedures developed locally that touch on the issue. For example, there is currently an export control manual being developed. Additionally, ORCA has a standard procedure in place for processing conflict of interest disclosures.

There are a number of databases used at UCSC that have information useful for foreign influence oversight. These systems include:

- Cayuse – This system is used by proposal and grant personnel of the Office of Sponsored Projects. Additionally the system is used by academic divisions, research accounting, and for extramural funds accounting. The system provides faculty and administrators proposal history, award management, budget questions, and file updates.
- Outside Activity Tracking System (OATS) – This is a multi-campus collaboration intended to facilitate the collection, review, and reporting of faculty outside professional activities that are subject to the University of California's Conflict of Commitment policies.
- GlobalConnect – This is an online international relations management platform designed to capture and showcase information about the global footprint of UCSC.

Training

Training on foreign influence risks and compliance requirements for PIs is primarily achieved through the electronic training provided and required by funding agencies (e.g. NIH, NSF, etc.). The campus has not created its own local, formal training. ORCA is responsible for tracking PIs that have completed mandatory training and generally monitor compliance in this area.

There is some local training being conducted, though it is generally informal and not mandatory:

- The Intellectual Property Management Office holds local trainings for PIs related to the patent process as does some academic departments.
- Export Control holds trainings on areas pertinent to their scope.
- Some local academic departments have held informal trainings related to foreign influence.
- Information for PIs is also passed down through various email correspondences from the Office of Research.
- The university and grant agencies have a great deal of information available online.

Grant and Sabbatical Records Sample Testing

We conducted a sample test of NIH grants using an online reporting tool, NIH RePORTER (Research Portfolio Online Reporting Tools). We queried grants in emerging technologies as identified in the list of “Representative Technology Categories” in the Bureau of Industry and Security 11.19.2018 Proposed Rule. There were 12 grants that met our criteria involving four UCSC PIs. We did not find any sabbatical leave or publications that created an obvious red flag.

Conclusions based on Testimonials

Due to the nature of foreign influence, there will be some level of risk that will be hard to avoid. This risk is due to a number of factors:

- Conflict of interests and conflict of commitments are inherently difficult for the university to detect unless PIs disclose this information. Additionally, there is currently little or no effective processes in place to compare the various systems and forms used to detect if PIs fail to disclose these potential conflicts.
- With the responsibilities related to foreign influence crossing over a wide variety of key players, some gaps may exist in the management of risk.
- Academic freedom is a concern for many PIs that may potentially conflict with controls to prevent foreign influence. This is an area that would require cultural change within the organization for PIs to value compliance with foreign influence controls as much as they value academic freedom.
- There is realitively little overarching UC policy related to foreign influnce. Instead controls related to foreign influence fall under a number of different policies that are not focused specifically on foreign influence risks.

APPENDIX A – SUMMARY OF WORK PERFORMED AND RESULTS

Fieldwork	
Work Performed	Results
<p>1. Foreign Influence and Disclosure Monitoring</p>	<p><i>We provided answers to questions asked in the audit program</i></p> <p>Is any administrative unit charged with comparing Conflict of Interest (COI)/Conflict of Commitment(COC) disclosures with:</p> <ul style="list-style-type: none"> • Faculty publications (performance of a significant portion of research by a foreign researcher)? • Use of facilities or instrumentation at a foreign site? • Receipt of resources (possibly, but not always through an MTA) from a foreign source? <p><u>Answer:</u> There is no unit directly responsible for comparing COI/COC disclosures.</p> <p>Does your campus have a mechanism for identifying or tracking faculty collaborations that would not fall under the rubric of COI/COC reporting?</p> <p><u>Answer:</u> There is no standard mechanism to track faculty collaborations in regards to COI/COC reporting issues. However, these collaborations may be indirectly reviewed as a result of various other campus procedures. For example, in regards to export control, faculty members would need to comply with limitations related to dealing with particular prohibited entities identified by the federal government.</p> <p>Potential conflicts of commitment can be tracked using the UC Outside Tracking Activity System (OATS). OATS is a web-based application through which university faculty members can report outside activities and income, in accordance with UCOP conflict of commitment policies. ORCA has the responsibility to manage potential conflicts of commitment.</p> <p>Are foreign sabbatical leaves communicated to Sponsored Programs prior to approval if a faculty member will continue working on sponsored projects while in a foreign country?</p> <p><u>Answer:</u> This is not done specifically for the purposes of evaluating foreign influence, though it is possible the Office of Sponsored Projects may inadvertently have red flags raised when sabbatical leave is reported.</p> <p>How do your policies/procedures related to foreign activities differ between tenured faculty and emeritus faculty/research faculty/individuals operating under a PI exception?</p> <p><u>Answer:</u> Though various policies/procedures on campus may differ for these categories of individuals, there is no specific policy/procedure difference between these categories of individuals as it relates specifically to foreign activities.</p>

	<p>Does your campus provide training on COI/COC/foreign activities disclosure to staff members?</p> <p>Answer: The campus does not have locally developed training specific to foreign influence. However, various organizations that provide grant funding (for example NIH and the NSF) have their own COI training requirements and often have required online training specific for individuals applying for their grants.</p> <p>What communications <i>specifically related to foreign activities reporting</i> has your campus made to faculty or administrators in the past 12 months?</p> <p><i>Multiple examples provided to auditor of correspondence from the VC Research to the research community at UC Santa Cruz.</i></p> <p>Peer review (related to federal grants and academic journals):</p> <ul style="list-style-type: none"> • Is this information collected through any other mechanism? This activity is considered a Category 3 outside activity and does not require COC reporting. • Does your campus have any controls in place to ensure that researchers obtain federal funding agency authorization prior to sharing confidential information through the peer review process? • Does your campus educate faculty on confidentiality/non-disclosure requirements related to these activities? <p>Answer: The contracts and grants department does not collect information related to peer reviews. The Office of Research does encourage researchers to create non-disclosure agreements where applicable.</p> <p>What office at your Campus is charged with Department of Education foreign gift and award reporting?</p> <p>Answer: Financial aid is responsible for this reporting. Financial aid works closely with University relations in this reporting.</p>
<p>2. Conflict of Commitment</p>	<p>Is a COC disclosure used by other administrative departments to respond to other agency requirements (e.g., foreign component disclosure in applications and progress reports for federal agency approval)?</p> <p>Answer: Conflict of Commitment disclosures are handled using the same process as COI disclosures (which is discussed in section 2 below. How disclosures are used depends on the funding organization, and very well may be disclosed to departments like sponsored projects when applicable.</p> <p>Category 1 and 2 Activities.</p> <ul style="list-style-type: none"> • Who receives information on requests and approval? Who is information shared with and when? • Is there comparison against other sources (i.e., research awards/disclosures, visiting scientists, other lab activities, or publically available information)? • Is restricted party screening conducted on foreign entities? • Who receives information on Category 1 requests and approval? Who is information shared with and when?

	<ul style="list-style-type: none"> • Is there comparison against other sources (i.e., research awards/disclosures, visiting scientists, other lab activities, or publically available information)? • Is restricted party screening conducted on foreign entities? <p>Answer: The Academic Personnel Office manages the UC Outside Tracking Activity System (OATS). OATS is a web-based application through which university faculty members can report outside activities and income, in accordance with UCOP conflict of commitment policies. The Academic Personnel Office has a FAQ and links to various resources and trainings for individuals completing information within the OATS portal. Ultimately, PIs are responsible for reporting properly in this system (whether category 1, 2, etc.) in accordance with the grants they are applying for. Therefore, as with other COI reporting, the accuracy of the information within OATS depends primarily on how truthfully and accurately PIs report information within the portal. The Information within the OATS system is not regularly compared against other systems.</p> <p>Conflict of Commitment disclosures may also come up when they are disclosed in the same manner as COIs. In this case, ORCA will get information on disclosures and share it with the COI committee. There is not a standard process for what sources of information the COI committee will use when evaluating Conflicts of Commitment, though restricted party screening is certainly involved on all reviews. The escalation process is the same as with the COI disclosures discussed in section 2 below. Visibility of these disclosures are limited to ORCA and this COI committee unless the PI themselves disclose this information to others.</p>
<p>3. Conflict of Interest</p>	<p>What office is responsible for supporting the research COI disclosure process, and where does it report organizationally?</p> <ul style="list-style-type: none"> • Who has visibility into a COI disclosure through the review process (i.e., department, Contract/Grant Office, COI Office, etc.)? • Is a COI disclosure reviewed against any other sources of information (prior disclosures, COC, publications, etc.)? • Is a COI disclosure used by other administrative departments to respond to other agency requirements (e.g., foreign component disclosure in applications and progress reports for federal agency approval)? • What reporting is done on positive disclosures, mitigation plans, etc.? Who has visibility into this information? <p>Answer: The Office of Research Compliance Administration is responsible for this COI disclosure process. The reporting goes through the “700-U” form for private funding or various other forms for other grants depending on the source of funds. Internally at UCSC, positive COI disclosures are reviewed by the COI committee which create a management plan to address concerns. These COI reviews are good for a year.</p> <p>Does your campus have a mechanism for comparing COC/COI disclosures? How do administrative units gain visibility to these disclosures? Are these disclosures being compared only when a “red flag” arises, or as a matter of procedure?</p> <p>Answer: This review occurs with the COI committee when a faculty member makes a disclosure. There is not a standing mechanism in place for reviewing all COC/COI disclosures, but rather they are reviewed when a “red flag” arises by the COI committee or the ORCA Director depending on the nature of the disclosure.</p> <p>The COI committee will review the disclosures and create a management plan to address concerns. The management plan consists of a series of steps the PI will need to address to</p>

	<p>minimize the risk associated with the COI. These COI reviews are good for a year. ORCA will audit management plans to address how well PIs have addressed the items. They do this by taking a sample of the items listed on the management plan and following up via email with the PIs to request documents as needed. ORCA provided one example of a follow up audit email chain.</p> <p>What is the escalation protocol for discrepancies between COI/COC disclosures? inhere</p> <p>Answer: If the PI does not agree with the determinations of the COI committee, the PI is given an opportunity to address their disagreement to the committee by email. If the committee and PI still do not agree, Scott Brandt, VC Research, will ultimately make the decision of how to address the COI disclosure. In the Analyst’s 1.5 years working in this department, she has only seen this appeal process play out twice.</p>
<p>4. Export Control</p>	<p>What are the record-keeping procedures for reviews of export shipments, foreign nationals, or other export control-related reviews?</p> <ul style="list-style-type: none"> • Who has visibility to these records? How is this information communicated to other units (if at all?) • If information of concern is identified, what is the escalation protocol? <p>Answer: Export control is handled by the Director of Research Integrity and she has visibility of export control related reviews. There is not a lot of export control policies and procedures currently in place, although there is an export control manual being developed locally. They follow UC policy for export control.</p>
<p>5. Sponsored Programs/Departments/Grants Processing</p>	<p>Is there a record of investigator’s current and pending support? Is this support checked against any other source of information (e.g., a grants database or COI disclosures)?</p> <p>Answer: PIs submitting grant applications through the Cayuse system and OSP then provides a review of these submissions for compliance with local, UC, and the funding organization policies. OSP does not keep any additional records aside from Cayuse tracking PIs current and pending support. However, there are other systems used on campus by other departments, such as OATS and Global Connect, which may get into this area.</p> <p>Is there a record of investigator’s foreign organization affiliation?</p> <p>Answer: Potential Conflicts of Commitment can be tracked using the UC Outside Tracking Activity system (OATS). OATS is a web-based application through which university faculty members can self-disclose potential outside activities and income, in accordance with UCOP conflict of commitment policies. ORCA has the responsibility to manage potential conflicts of commitment.</p> <p>Is any information checked in regards to research with a foreign component?</p> <p>Answer: Aside from screening against prohibited entities, Sponsored Projects does not have access to additional data to compare other than what PIs provide to it via Cayuse and OATS.</p>

	<p>Is there a process to identify and vet non-U.S. sponsors of research?</p> <p><u>Answer:</u> UC Santa Cruz screens non-U.S. sponsors of research against the list of prohibited entities. However, there is not a clear process to vet non-U.S. sponsors of research if they are not specifically listed on these lists of exclusions.</p> <p>How do you categorize foreign donations that have stipulations (e.g., membership agreements that allow access to prepublication data and technical retreats)?</p> <p><u>Answer:</u> If there is a required deliverable, the gift becomes a grant or a contract and is treated in that manner. UC Santa Cruz follows UCOP policy on the treatment of foreign gifts.</p>
<p>6. Development and Alumni Relations</p>	<p>Who makes the determination that a foreign gift is unrestricted (has no strings attached)?</p> <p><u>Answer:</u> Ultimately, the VC of University Relations does. However, unrestricted and no strings attached are two different things. Unrestricted speaks to how the gift can be used. Most of our gifts are restricted in some way. No strings attached speaks to what is expected in return for the gift. If there is a required deliverable, the gift becomes a grant or a contract and is referred to the Office of Research.</p> <p>How are gifts from non-U.S. persons or entities treated differently?</p> <p><u>Answer:</u> Gift Administration/UR does not screen donors. We do know that the Office of Research and a couple other entities on campus use a tool called "Descartes Visual Compliance" to check foreign entities</p> <p>In the case of a positive screening, is there a verification and escalation procedure in place?</p> <p><u>Answer:</u> No formal procedure since Gift Admin does not screen. If a donor was suspect (e.g. "Huawei") Gift Admin would reach out to UCOP for guidance</p> <p>Are these gifts reported to UCOP in some way? If so, how?</p> <p><u>Answer:</u> [University Relations] does report both restricted and unrestricted cash giving (not grants) totaled by country to UCOP via UCARS on a quarterly basis.</p> <p>Are these gifts reported to the Department of Education per Section 117 of the Higher Education Act? (If so, how is this done?)</p> <p><u>Answer:</u> Yes, [University Relations provides] a list of cash gifts from foreign entities every 6 months to the campus financial aid office; this office has been the central point for this reporting on campus. This year, a Senior Campus Counsel led an effort to update the specifications of what level of detail our campus reports for this purpose, because the requirements changed this past year -- and, we provided the last report at the end of January, which met these new requirements.</p>

<p>7. Visas for International Scholars and Students/Graduate Studies</p>	<p>What is the process for obtaining visas for international graduate students and postdoctoral researchers? Is this the same process through which visas are obtained for visiting international scholars?</p> <p><u>Answer:</u> In the case of an incoming grad student, upon admission, they request a document from us (I-20 or DS-2019) and then use that to apply for a visa at the consulate. Similarly, for scholars, the hosting department requests the DS-2019 and then transmits it to the scholar, who in turn applies for a visa at the consulate.</p> <p>Who is responsible for applying for these visas?</p> <p><u>Answer:</u> All individuals must apply for their own visas.</p> <p>Is there a procedure for vetting international scholars? Does any unit on your campus keep records for these individuals (e.g., the subject of their research while on campus, how long they will be visiting, restricted party screening for non-students affiliated with foreign entities)?</p> <p><u>Answer:</u> All of the info related to the duration of the stay and the subject of the research are submitted to ISSS as part of the sponsorship application packet, and, I believe kept by the department, division and APO as part of the appointment documentation. We do have access to RPS as part of Visual Compliance, though I admit, it's not been fully integrated into our process and we've not used it consistently.</p>
<p>8. International Activities</p>	<p>Does this campus maintain a database or record of foreign collaborations?</p> <p><u>Answer:</u> A little less than a year ago, the Division of Global Engagement established a database called Global Connect, which is designed to maintain records of all international collaborations that have been initiated, reviewed, and/or administered by the Division. The database primarily contains records of agreements of affiliation (MOUs and student exchange agreements) between UCSC and foreign institutions. The database also contains records of other various forms of collaboration/engagement which have been voluntarily disclosed to the Division by UCSC faculty. Such disclosures are made to the Division primarily for the purposes of supporting our partnership-building efforts. Given the voluntary nature, this is therefore not an exhaustive record of our campus faculty's international engagement; there is no policy requiring faculty to provide information to the Division in this way. The public-facing search portal for the Global Connect database can be found here.</p> <p>Are there multiple offices in charge of signing off on international agreements or corporate sponsorships?</p> <p><u>Answer:</u> The role of the Division of Global Engagement is to facilitate and track international engagement with institutions abroad in support of the campus mission. We assist faculty and academic departments to initiate and seek appropriate reviews and approvals for international agreements of affiliation between UCSC and institutions abroad. I'm not aware of any corporate sponsorship agreements, though we have occasionally encounter agreements with foreign sponsoring agencies (e.g. China Scholarship Council). The vast majority of international agreements we work on here in the Division are general MOUs and bilateral student exchange agreements, primarily for undergraduates (though masters level</p>

	<p>students occasionally participate in these programs, too). We utilize agreement templates that have been reviewed and approved by UCSC Office of Campus Counsel. Or, if using a prospective partner institution's templates, or making substantive revisions to our templates, we again work with Campus Counsel to ensure appropriate review.</p> <p>If so, who is ultimately charged with vetting the agreement language, parties involved, restricted party screening, etc.?</p> <p>Answer: For each agreement proposal that passes through my office, I work with [The director of Research Integrity] to do a restricted party screening. Based on the nature of each agreement, my office also ensures appropriate academic reviews of the program proposed in the agreement (e.g., for student exchange, our Study Abroad team is closely involved vetting). And again, we work with Campus Counsel to vet any additional specific terms within each agreement, as needed.</p> <p>Do agreements signed ensure that appropriate confidentiality provisions are included in agreements prior to facilitating conversations about institutional research activities?</p> <p>Answer: As the primary purpose of student exchange agreements is to facilitate the reciprocal mobility of students between institutions for the purposes of study for credit, there are no explicit provisions in that template addressing confidentiality with regard to research activities (though this could be included in future templates should Campus Counsel deem necessary).</p>
<p>9. Academic Departments and Faculty</p>	<p>Do departments have awareness training advising faculty and staff about what information on foreign affiliations needs to be included in grant applications and reports?</p> <p>Survey Results No local training has been provided by any departments for the departments interviewed within PBSCI and BSOE aside from one department within BSOE which had a short informal training during a faculty meeting.</p> <p>Do departments review grant and contract applications prior to approval to ensure appropriate identification of foreign activities in the proposal based on COC activities, travel, or sabbaticals they have approved?</p> <p>Survey Results It appears that at least some departments within BSOE are providing a department-level review of contract and grant applications for potential Conflict of Commitments, but PBSCI is relying strictly on OSP for this control, at least for the departments that responded to the survey.</p> <p>Are there appropriate policies or agreements with Post Docs regarding use of data and/or disclosure of potential IP outside of the institution? Are postdocs allowed to take copies of data and research outcomes from their labs when their time as a post doc is over?</p> <p>Survey Results There are no local policies for the departments interviewed related to postdoctoral researches use of data outside the institution.</p> <p>Do the individual academic departments provide support for visiting scholars?</p>

	<ul style="list-style-type: none"> Who is responsible for approving campus access for unaffiliated researchers and what is the review process? <p>Survey Results Generally, departments manage their own visitors and need to come up with their own resources to support them.</p> <p>What mechanisms do your academic departments have in place to maintain security of laboratory/research space?</p> <ul style="list-style-type: none"> Who is responsible for security and who determines who qualifies for access? What is the review process? <p>Survey Results While there was quite a bit of variety in specific responsibilities surrounding security, all the departments had processes in place to manage their lab space security.</p> <p>Are you aware of any standing exceptions to policy with respect to conflicts of commitment?</p> <p>Survey Results No departments were aware of exceptions to policy in regards to conflicts of commitment.</p>
<p>10. Intellectual Property Security and Control</p>	<p>What screening or vetting is done for individuals having access to Records of Invention?</p> <p>Answer: Original records of invention are maintained in electronic files that are accessible only to employees of IATC. Permission to access files is granted only by my making a request to Information Technology Services.</p> <p>What information or training is available for researchers to know about the University’s rights on intellectual property and requirement to disclose inventions?</p> <p>Answer: All employees and visitors are required to sign the UC Patent Acknowledgement. There is an exception for Academic Visitors - it's a separate process that was set up by UCOP RPAC group. Information is available on the IATC website as well as the UCOP website. We do participate along with others in the Office of Research in new faculty orientations. We also hold formal and informal trainings, including outreach at department meetings and 1:1 discussions with individual inventors.</p> <p>What enforcement actions are available for unauthorized transfer of IP?</p> <p>Answer: Depending on the type of action and the level of damages, we can sue for monetary damages. But that would not be likely unless the damages exceed the cost of taking on the legal action and there is a high likelihood that the Regents would prevail. There are also employment actions.</p>

	<p>Does your campus have a policy requiring a Material Transfer Agreement prior to transfer of IP?</p> <p>Answer: An MTA is a bailment (transferring material without transferring ownership of that material) for a tangible thing. An MTA on its own can contain a limited license to patents (if any) involving the use of the material. Generally, that license is limited to use of the material for a particular purpose in a statement of work. If "transfer of IP" is envisioned to be an IP license, then sometimes there are provisions involving the transfer of material in such a license, but it's not necessary. If the question is whether there is a *policy* requiring a Material Transfer Agreement prior to sending *material* to another institution: then the answer is no, there is no policy. It is a best practice and we strongly encourage anyone sending materials to work with our office to put an MTA in place prior to sending materials.</p> <p>Does your campus require confidentiality provisions in data exchange agreements and/or provide NDAs prior to engaging in preliminary discussions with foreign institutions in order to protect IP?</p> <p>Answer: All agreements with outside institutions handled by IATC include confidentiality provisions (including data exchange agreements). IATC does provide NDA's for those engaging in preliminary discussions with foreign and domestic companies. However, we are rarely asked to negotiate such agreements with academic institutions.</p>
<p>11. Training</p>	<p>Faculty Training on COC:</p> <ul style="list-style-type: none"> • Is there a consideration of whether activities are accurately categorized (as Category 1, 2, etc.)? • Does the campus have plans for information sharing between the COC and COI reporting systems? • Are there any gaps between agency expectations of employee disclosures and UC policies/procedures to respond to those agency expectations? <p>Answer: Tracking for Conflict of Commitment is done in the UC Outside Tracking Activity system (OATS). OATS is a web-based application through which university faculty members can report outside activities and income, in accordance with UCOP conflict of commitment policies. ORCA has the responsibility to manage potential conflicts of commitment. PIs are responsible for reporting properly in this system (whether category 1, 2, etc.) in accordance with the grants they are applying for and ORCA doesn't have a good way of policing what PIs input. Likewise, ORCA is not actively comparing information from OATS with another COI reporting system. ORCA does have a number of documents in place to help PIs properly fill in required forms in order to comply with agency expectations for grants they are applying for.</p> <p>Faculty training on COI requirements</p> <ul style="list-style-type: none"> • How are members of the faculty/staff made aware of COI policies and their responsibilities under it? • Are there any gaps between agency expectations of employee disclosures and UC policies/procedures to respond to those agency expectations? • Do you employ any COI training (or provide presentations to faculty/staff) that are specific to your campus? <p>Answer:</p>

	<p>COI requirements differ based on the funding organization in which PIs are applying for. ORCA has created reference documents to assist PIs in knowing their responsibilities for common funding organizations, but it is ultimately the responsibility of faculty to know what their responsibilities are. ORCA does not have campus specific training related to COI, however many funding organizations have their own training which are required for PIs to complete prior to receiving funding. ORCA links much of this information on their website.</p>
<p>12. Policy</p>	<p>Based on the work performed as part of this audit, including policy review, identify any gaps or inconsistencies between:</p> <ul style="list-style-type: none"> • Local practices and policy requirements • Local policies and regulatory requirements • Systemwide policies and regulatory requirements <p><u>Auditor Conclusion</u> Generally, UC Santa Cruz relies on state, federal, and UC policies in relation to foreign influence. UC Santa Cruz generally has not created “additional” policies for foreign influence and therefore there is nothing to conflict with.</p> <p>We did not identify any specific gaps or inconsistencies in system wide policies, but we think there is a strong likelihood that they could exist.</p>
<p>13. Grant and Sabbatical Records Sample Testing</p>	<p>Using the NIH RePORTER [Research Portfolio Online Reporting Tools] online query tool, haphazardly select a sample of 15 grants in emerging technologies as identified in the list of “Representative Technology Categories” in the Bureau of Industry and Security 11.19.2018 Proposed Rule. Selected grants should be either in their third, fourth, or fifth year or recently closed (in past two years).</p> <p>For each sampled grant, pull the sabbatical records (if any) for the principal investigator on the grant. The sabbatical records will most likely reside with the department and may be in electronic or paper form.</p> <p>Utilizing the approach recently referenced by the National Institutes of Health, compare information in the grant documents listed below with publications and sabbatical documents to evaluate the accuracy of other support, affiliation reporting, and commitment (effort months on the grant) for the principal investigator on the grant.</p> <p><u>Auditor Conclusion</u> We could only find 12 total grants with 4 UC Santa Cruz PIs that met the criteria of this audit step. For these 4 PIs I did not find any sabbatical leave or publications that created a red flag.</p>