CHINA’S IMPACT ON THE U.S. EDUCATION SYSTEM

STAFF REPORT

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

UNITED STATES SENATE
# CHINA’S IMPACT ON THE U.S. EDUCATION SYSTEM

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I. EXECUTIVE SUMMARY

When China sought to market itself to students around the world, it looked to its past. Confucius, the ancient Chinese philosopher, is synonymous with morality, justice, and honesty. The Chinese government capitalized on this rich legacy and began establishing Confucius Institutes on college campuses around the world in 2004, including the first in the United States at the University of Maryland. Today, there are more than 100 Confucius Institutes in the United States, the most of any country.

The Chinese government funds Confucius Institutes and provides Chinese teachers to teach language classes to students and non-student community members. In addition to Chinese language classes, Confucius Institutes host cultural events, including Chinese New Year celebrations, cooking classes, speakers, and dance and music performances. These selective events depict China as approachable and compassionate; rarely are events critical or controversial. The Chinese government also funds and provides language instructors for Confucius Classrooms, which offer classes for kindergarten through 12th grade students. Confucius Classrooms are currently in 519 elementary, middle, and high schools in the United States. Continued expansion of the program is a priority for China.

Confucius Institute funding comes with strings that can compromise academic freedom. The Chinese government approves all teachers, events, and speakers. Some U.S. schools contractually agree that both Chinese and U.S. laws will apply. The Chinese teachers sign contracts with the Chinese government pledging they will not damage the national interests of China. Such limitations attempt to export China’s censorship of political debate and prevent discussion of potentially politically sensitive topics. Indeed, U.S. school officials told the Subcommittee that Confucius Institutes were not the place to discuss controversial topics like the independence of Taiwan or the Tiananmen Square massacre in 1989. As one U.S. school administrator explained to the Subcommittee, when something is “funded by the Chinese government, you know what you’re getting.”

Confucius Institutes exist as one part of China’s broader, long-term strategy. Through Confucius Institutes, the Chinese government is attempting to change the impression in the United States and around the world that China is an economic and security threat. Confucius Institutes’ soft power encourages complacency towards China’s pervasive, long-term initiatives against both government critics at home and businesses and academic institutions abroad. Those long-term initiatives include its Made in China 2025 plan, a push to lead the world in certain advanced technology manufacturing. The Thousand Talents program is another state-run initiative designed to recruit Chinese researchers in the United States to return to China for significant financial gain—brining with them the knowledge gained at U.S. universities and companies.
**Contracting with the Chinese Government.** The Chinese government runs the Confucius Institute program out of the Ministry of Education’s Office of Chinese Language Council International, known as “Hanban.” Each U.S. school signs a contract with Hanban establishing the terms of hosting a Confucius Institute. Contracts reviewed by the Subcommittee generally contain provisions that state both Chinese and U.S. laws apply; limit public disclosure of the contract; and terminate the contract if the U.S. school take actions that “severely harm the image or reputation” of the Confucius Institute.

The Chinese director and teachers at each Confucius Institute also sign contracts with Hanban. The contract with Hanban makes clear a Chinese director or teacher will be terminated if they “violate Chinese laws;” “engage in activities detrimental to national interests;” or “participate in illegal organizations.” In fact, the contract states the Chinese director and teachers must “conscientiously safeguard national interests” and report to the Chinese Embassy within one month of arrival in the United States.

**Resources Provided by Hanban.** U.S. schools that contract with Hanban receive substantial funding and resources to establish the Confucius Institute on campus. At the outset, Hanban typically provides a U.S. school between $100,000 and $200,000 in start-up costs, around 3,000 books, and other materials. Hanban also selects and provides a Chinese director and teachers at no cost to the U.S. school. While school officials have the opportunity to interview candidates for these positions, there is little-to-no transparency into how the Chinese government selects the individuals that schools must choose from. Nor did U.S. school officials interviewed by the Subcommittee know if candidates would meet the school’s hiring standards. Hanban requires director and teacher candidates to pass English proficiency tests and undergo a psychological exam to determine adaptability to living and teaching in the United States. Beyond that, U.S. schools’ understanding of the selection process was limited, at best.

**Expansion to Kindergarten through 12th Grade.** China did not stop at expanding at university and college campuses. The next phase of Confucius Institutes involved funding teachers for Confucius Classrooms in K–12 grade school. There are currently 519 Confucius Classrooms operating in the United States with expansion of this program a top priority for China. In the United States, a Confucius Institute receives funding and instructors directly from Hanban and passes it to the K–12 grade school to support affiliated Confucius Classrooms.

**The Cost of Confucius Institutes.** The investment by China in U.S. Confucius Institutes is substantial. Since 2006, the Subcommittee determined China directly provided over $158 million in funding to U.S. schools for Confucius Institutes. A number of U.S. schools, however, failed to properly report this funding as required by law. The Department of Education requires all postsecondary schools to report
foreign gifts of $250,000 or more from a single source within a calendar year of receiving them. Despite that legal requirement, nearly 70 percent of U.S. schools that received more than $250,000 from Hanban failed to properly report that amount to the Department of Education.

The Department of Education last issued guidance to U.S. schools on foreign gift reporting requirements in 2004, the same year the first Confucius Institute opened in the United States. As China opened over 100 additional Confucius Institutes in the United States over the last 15 years, the Department of Education remained silent.

**Visa Failures.** The State Department is responsible for issuing visas to any Chinese director or teacher entering the United States to work at a Confucius Institute. Some U.S. schools have struggled to comply with the requirements of the Exchange Visitor Visa (or “J-1”). In 2018, the State Department revoked 32 J-1 Professor and Research Scholar visas for Confucius Institute teachers who were not conducting research, but instead were teaching at K–12 schools. The State Department also found evidence that one Confucius Institute Chinese director improperly coached the teachers to discuss their research during interviews with State Department investigators.

In 2019, the State Department plans to double the number of Confucius Institutes field reviews it completed in 2018 – from two to four.

**China’s Lack of Reciprocity.** In response to the growing popularity of Confucius Institutes in the United States, the State Department initiated a public diplomacy program in China. Since 2010, the State Department has provided $5.1 million in grant funding for 29 “American Cultural Centers” or ACCs in China. Through the ACC program, a U.S. school partners with a Chinese school, much like a Confucius Institute. The U.S. school then uses the grant funds to create a space on the campus of the Chinese partner school to “enable Chinese audiences to better understand the United States, its culture, society, government, language, law, economic center, and values.” ACCs are notably different from Confucius Institutes, however, as the State Department does not pay or vet instructors or directors; provide books or materials; or veto proposed events. Even so, the Chinese government stifled the establishment of the ACC program from the start.

In all, the State Department provided 29 U.S. schools with grant funds to establish ACCs with a partner Chinese schools. For some U.S schools, roadblocks to opening their ACCs appeared immediately. For example, after extensive negotiations, one Chinese school refused to open a proposed ACC, stating it didn’t see a need to move forward. An official from the U.S. school seeking to open the ACC, however, believed China’s Ministry of Education told the partner school not to proceed with the contract. This official wrote in an email to his colleagues, “This is
a typical Chinese political euphemism. Obviously, [the Chinese University] was instructed by [the Ministry of Education] not to proceed with our proposal.” The U.S. school returned the grant funds to the State Department.

The ACCs that did open found they needed permission from their Chinese host schools to hold most cultural events. One Chinese host school refused to allow its ACC to host a play about the life of Muhammad Ali. Another denied approval for a lecture series on policy issues facing Americans. One U.S. school official who staffed an ACC told the Subcommittee that members of the local Communist Party often participated in the approval process. Another U.S. school official left the ACC after two sessions of extensive questioning by Chinese police officers regarding her involvement with the ACC and the State Department. When the U.S. school official returned to the United States, a colleague told her that Chinese police interrogation of school officials was common and that she was now just “part of the club.”

In all, the State Department documented over 80 instances in the past four years where the Chinese government directly interfered with U.S. diplomacy efforts in China. Interference with State Department officials or events took a number of forms. One example involved a Chinese official telling a U.S. official an ACC no longer existed; the U.S. official easily confirmed the continued existence of the ACC through its U.S. partner school. One U.S. official was told she applied too late to attend the opening of an ACC after submitting the request a month before. In other instances, the Chinese school canceled approved events, sometimes as late as the night before.

In December 2017, the State Department Inspector General found the ACC mission was largely ineffective. In October 2018, the State Department ended all ACC program grant funding in order to conduct an internal assessment of the program. There are currently no plans for future ACC grants.

The Need for Transparency and Reciprocity. Schools in the United States—from kindergarten to college—have provided a level of access to the Chinese government that the Chinese government has refused to provide to the United States. That level of access can stifle academic freedom and provide students and others exposed to Confucius Institute programming with an incomplete picture of Chinese government actions and policies that run counter to U.S. interests at home and abroad. Absent full transparency regarding how Confucius Institutes operate and full reciprocity for U.S. cultural outreach efforts on college campuses in China, Confucius Institutes should not continue in the United States.
II. FINDINGS OF FACT AND RECOMMENDATIONS

Findings of Fact

1) In the last 15 years, the Chinese government has opened over 100 Confucius Institutes on college and university campuses in the United States. While there are currently more than 500 Confucius Institutes worldwide, the United States has more Confucius Institutes than any other country. Recently, ten U.S. colleges and universities have decided to close Confucius Institutes.

2) The Chinese government also funds teachers for Confucius Classrooms in the United States, which teach Chinese language and culture in kindergarten through 12th grade schools. There are over 1,000 Confucius Classrooms worldwide and more than 500 in the United States. Expanding the Confucius Classroom program is a priority for the Chinese government. A document obtained by the Subcommittee details a sophisticated plan to expand Confucius Classrooms by seeking the “top-down policy support from the state government, legislative and educational institutions, with a particular emphasis on access to the support from school district superintendents and principals.”

3) U.S. government officials have expressed concerns about Confucius Institutes. FBI Director Chris Wray testified that the FBI is “watching warily” Confucius Institutes and “in certain instances have developed appropriate investigative steps.” Bill Priestap, the FBI’s Assistant Director for the Counterintelligence Division, testified that Confucius Institutes “are not strictly a cultural institute [and that] they’re ultimately beholden to the Chinese government.”

4) The Chinese government controls nearly every aspect of Confucius Institutes at U.S. schools. Confucius Institutes report to the Chinese government’s Ministry of Education Office of Chinese Language Council International, known as “Hanban.” Confucius Institutes are funded, controlled, and mostly staffed by Hanban to present Chinese-government approved programming to students at U.S. schools. Hanban approves each Confucius Institutes’ annual budget and has veto authority over events and speakers.

5) Hanban provides no information to U.S. schools on how candidates for Chinese director and teacher positions at Confucius Institutes are screened or selected in China. U.S. Schools told the Subcommittee they did not know how Hanban selects the candidates they must choose when filling the Chinese director and teacher positions at Confucius Institutes, but were generally aware of an English proficiency test and psychological exam.
Nor did U.S. schools know if the Chinese directors and teachers would meet the U.S. schools’ hiring standards.

6) **Chinese directors and teachers at Confucius Institutes pledge to protect Chinese national interests.** The Subcommittee obtained a contract between Chinese teachers and Hanban that requires Chinese instructors at U.S. schools to “conscientiously safeguard national interests” and terminates if the Chinese instructors “violate Chinese law” or “engage in activities detrimental to national interests.”

7) **Some U.S. schools’ contracts with Hanban include non-disclosure provisions and require adherence to both U.S. and Chinese law.** Some contracts reviewed by the Subcommittee included provisions that prevent public disclosure of the contract and a provision that both Chinese and U.S. law applies at the Confucius Institute at the U.S. school. When one U.S. school refused to include a provision requiring adherence to Chinese law, Hanban officials cancelled the entire contract.

8) **Some Hanban contracts include a clause requiring a U.S. school to pay back Hanban funds for early termination of the Confucius Institute.** This provision creates a disincentive for the U.S. school to terminate an agreement early if the school decides it no longer wants to host a Confucius Institute. The typical length of a contract between a U.S. school and Hanban is five years.

9) **U.S. school officials’ impressions of Hanban’s control of Confucius Institutes varied.** Some U.S. school officials, administrators, and instructors told the Subcommittee that they had concerns about the Chinese government’s control and influence over Confucius Institute planning and programming. Government Accountability Office investigators interviewed several U.S. school officials who “expressed concerns that hosting a Confucius Institute could limit events or activities critical of China—including events at the Confucius Institute and elsewhere on campus.” Other U.S. school administrators and American directors reported they had no concerns about academic freedom or undue Chinese influence.

10) **The State Department does not collect information on the Exchange Visa Program (or “J-1 visa”) related to Confucius Institutes or Hanban.** The State Department told the Subcommittee that when a Chinese national applies for a J-1 visa, the Department does not record if that individual is associated with a Confucius Institute. As such, the State Department does not know the number of Chinese nationals in the United States associated with the Confucius Institute program. This gap affects the State Department’s ability to effectively ensure proper visa use.
11) Since 2017, the State Department issued four Letters of Concern to U.S. schools for inappropriately using J-1 visas related to Confucius Institutes. The State Department revoked 32 visas for Confucius Institute exchange visitors following reviews at two of the schools that received letters. At both of these schools, Chinese nationals asserted they were in the United States conducting research when they were actually teaching at K–12 schools. When State Department officials interviewed officials and staff at one school, they found evidence of efforts to deceive them and determined the Confucius Institute’s Chinese co-director “conducted rehearsal interviews with the exchange visitors to practice discussing their research topics in advance of [State’s] review.”

12) The State Department conducted two field site reviews of Confucius Institutes in 2018 in response to visa violations discovered during a field site review. The State Department also issued a reminder to U.S. school sponsors to review guidance on the proper use of J-1 visas for Confucius Institutes. The State Department plans to conduct four field site reviews in 2019.

13) Since 2006, Hanban has provided more than $158 million to more than 100 U.S. schools for Confucius Institutes. Those U.S. schools provided the Subcommittee with financial data detailing all payments received from Hanban. Hanban states it spent more than $2 billion on Confucius Institutes worldwide from 2008 to 2016; starting in 2017, it no longer reports spending on the program.

14) U.S. schools failed to comply with statutory requirements to report foreign gifts to the Department of Education. Current law requires all post-secondary schools to biannually report funding provided by a foreign entity valued at more than $250,000. Nearly seventy percent of U.S. schools with a Confucius Institute that received more than $250,000 in one year failed to properly report that information to the Department of Education.

15) The Department of Education does not conduct regular oversight of U.S. schools’ compliance with required foreign gift reporting. The Department of Education maintains a database detailing the reporting of foreign gifts provided to U.S. schools, but relies solely on the U.S. schools to self-report gifts.

16) The Department of Education has failed to update U.S. school reporting requirements. The Department of Education has not issued guidance on foreign gift reporting by post-secondary schools since 2004. As a result, U.S. schools told the Subcommittee the reporting requirements were
unclear and confusing. They also said the Department of Education website used to receive gift reports was dated and difficult to use.

17) **The State Department created the American Cultural Center (“ACC”) program in 2010 to partner U.S. schools with a Chinese school.** The State Department awarded $5.1 million in grant funds through the program for U.S. schools to create a space on the campus of a Chinese partner school. The ACC would host events and lectures to promote American culture.

18) **The Chinese government fails to provide appropriate reciprocity for U.S. officials and educators in China.** The State Department has documented at least 80 examples of Chinese interference with American public diplomacy efforts from January 2016 to July 2018. Chinese officials routinely cancelled events at ACCs that involved U.S. embassy officials. In other instances, the host Chinese school would not allow State Department officials to attend events at the ACC, even when they applied for admission weeks in advance.

19) **The State Department Inspector General found that the American Cultural Center Program was “largely ineffective” in its mission due to Chinese interference.** The State Department responded that “[t]he Embassy agrees that there are concerns related to the stability of specific Centers due to active interference by the Chinese government as well as limitations in visiting individual centers.”

20) **The Chinese government prevented at least seven American Cultural Centers from ever opening.** The U.S. schools cited “politics” and having to secure the permission of either the Chinese Communist Party or local provincial government as reasons for failing to open an American Cultural Center.

21) **One U.S. school official told the Subcommittee that Chinese police officials detained and questioned her about her involvement with the American Cultural Center program.** She further explained that when she later told a colleague about the questioning, her colleague was not surprised and told her the Chinese police routinely question Americans in this manner. The colleague concluded that she was now “part of the club.”

22) **U.S. schools operating in China may self-censor events and programming as part of the State Department’s American Cultural Center program.** For example, one U.S. school told the Subcommittee that they would never even propose to hold an event on Tibet or Taiwan. That same U.S. school said they successfully hosted programs in China, but that the school did not want to “promote American culture too much.”
Recommendations

1) Congress should require all U.S. schools to publish any contracts with foreign governments, including all Confucius Institute contracts, online for students and faculty to review. Those contracts should have clear and irrefutable provisions protecting academic freedom at the school and avoid provisions that would apply the law of a foreign country on a U.S. campus.

2) U.S. schools should ensure that Hanban does not exercise line-item veto authority when approving annual Confucius Institute budgets. U.S. schools must ensure that any foreign-government-funded activities or research do not hinder academic freedom or present one-sided, selective positions to American students. Confucius Institute events and activities should also include disclaimers about the sources of funding.

3) U.S. schools should ensure that Hanban’s vetting, screening, and interview processes are aligned with their own hiring procedures and protocols. The process of selecting directors and teachers should be fully transparent to U.S. schools. U.S. schools should also attempt to recruit Chinese language instructors outside of Hanban’s purview.

4) Congress and state and local education officials should study the need and demand for Chinese language education programming in the United States and consider additional investments where necessary. U.S. schools and state and local boards of education should not outsource Chinese language teaching to Hanban.

5) The Department of Justice should determine if Confucius Institutes engage in activity to influence the U.S. government or public on behalf of foreign principals. The Department of Justice should then assess whether any Confucius Institute or its employees should register under the Foreign Agents Registration Act (“FARA”) for work on behalf of the Chinese government.

6) The State Department should review all active Confucius Institutes and Confucius Classrooms for compliance with visa regulations, standards, and practices. The State Department should collect foreign visa information for J-1 researchers and teachers associated with Confucius Institutes in the United States.

7) U.S. schools must comply with the law and properly report foreign gifts to the Department of Education. U.S. schools that failed to properly
report any foreign gifts should submit corrected and updated reporting as soon as practicable to the Department of Education.

8) The Department of Education should update its guidance requiring U.S. schools to report any funds provided by an institution owned or controlled by a foreign source, especially a foreign government. The Department should also update and modernize its website so U.S. schools can easily upload foreign gift information. The Department of Education and the Department of Justice should conduct oversight and pursue appropriate action against any U.S. schools that willfully fail to comply with reporting requirements.

9) The State Department should demand reciprocal and fair treatment of its diplomats and employees in China. This should include routine access to all U.S. taxpayer-funded sites, projects, and events. The State Department should also complete its own internal review of the effectiveness of the American Cultural Center program.

10) The State Department should remain in close contact with grantees in foreign countries and develop a formal system to collect information about interference, harassment, or questioning by foreign authorities. The State Department should use that information to assess both the safety of grantees working in foreign countries and the effectiveness of their programs.

11) U.S. schools should continue to partner with Chinese universities. Partnering with foreign universities offers students unique international learning experiences and enhance research opportunities. U.S. schools, however, should never, under any circumstances, compromise academic freedom. U.S. schools operating in China should inform students about China’s internet censorship and other relevant constraints.

12) U.S. schools should demand that Hanban be fully transparent about Confucius Institute hiring practices and provide reciprocity to U.S. school programs at Chinese schools. Given the concerns regarding academic freedom and broader U.S. interests related to China, U.S. schools should be fully aware of any drawbacks associated with hosting Confucius Institutes. Absent full transparency regarding how Confucius Institutes operate and full reciprocity for U.S. cultural outreach efforts on college campuses in China, Confucius Institutes should not continue in the United States.
III. BACKGROUND

A. China’s Confucius Institutes

Confucius Institutes are enterprises that engage in the teaching of Chinese language and culture at universities and colleges around the world. Confucius Institutes are designed, funded, and mostly staffed by the Office of Chinese Language Council International, known as Hanban. The Chinese government bills them as opportunities for cultural exchange and Chinese language education—an appealing prospect for U.S. schools trying to meet demand for language instruction. In the United States, Confucius Institutes are partnerships between Hanban and U.S. colleges or universities (“U.S. schools”). Confucius Institutes generally offer Chinese language courses, cultural events, scholarships, and China-related research opportunities.

As shown here, there are approximately 525 Confucius Institutes worldwide—118 in Asia, 54 in Africa, 161 in the Americas, 173 in Europe, and 19 in Oceania. With few exceptions, Confucius Institutes now have a significant presence in nearly every region of the world.

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The United States is now home to more Confucius Institutes than any other country.\(^4\) As of January 2019, as shown below and compiled by the Government Accountability Office, there are roughly 110 Confucius Institutes located in 44 of the 50 states.\(^5\)

According to 2017 data, there are 46,200 native Chinese and indigenous teachers working at Confucius Institutes around the world, and 1.7 million students who participate in Confucius Institute programs.\(^7\) An additional 621,000 individuals partake in Confucius Institute programming online.\(^8\) Despite its already substantial presence, China intends to open more than 1,000 Confucius Institutes around the world by 2020.\(^9\)

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\(^8\) Id.

1. **China’s Office of Chinese Language Council International known as Hanban**

   Confucius Institutes are designed, funded, and mostly staffed by the Office of Chinese Language Council International—known as “Hanban.” While Hanban describes itself as a “non-governmental and non-profit organization,” its own documents indicate that it reports directly to the Chinese government’s Ministry of Education. For example, as shown below in an archived screenshot of the “Organizational structure” from Hanban’s website, Hanban reports directly to China’s Ministry of Education.

   Members of twelve state ministries and commissions, including the General Office of the State Council, the Ministry of Foreign Affairs, and the State Press and Publications Administration, sit on Hanban’s governing council.

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10 *Confucius institute to open in Gomel university on 20 December*, HANBAN (Dec. 12, 2017), english.hanban.org/article/2017-12/12/content_711210.htm.
12 *Id.*
13 The full list includes the General Office of the State Council, the Ministry of Education, the Ministry of Finance, the Overseas Chinese Affairs Office of the State Council, the Ministry of Foreign Affairs, the State Development and Reform Commission, the Ministry of Commerce, the Ministry of Culture, the State Administration of Radio Film and Television (China Radio International), the State Press and Publications Administration, the State Council Information
Established in 1987, Hanban’s goals, according to its website, are to (1) provide Chinese language and cultural teaching resources and services worldwide, and (2) contribute to the development of multiculturalism and global understanding by supporting Chinese language programs at educational institutes of various types and levels in other countries. According to Hanban’s 2017 annual report, “The Confucius Institutes worldwide have held 220,000 cultural activities with 100 million viewers.” The same report states that Confucius Institutes “have become a vital force for international cooperation under the ‘Belt and Road’ initiative.” China’s Belt and Road initiative “aims to strengthen infrastructure, trade, and investment links between China and some 65 other countries.”

Hanban launched the first Confucius Institute in 2004 in Seoul, South Korea. Later that year, Hanban opened the first U.S. Confucius Institute at the University of Maryland. While Confucius Institutes are not Hanban’s only project, they quickly became its most well-known. Hanban’s other projects include the Chinese Bridge Chinese Proficiency Competition (“Chinese Bridge”), an annual international contest where students compete against each other based on their knowledge of Chinese language and culture. According to Hanban, 160,000 students from 127 countries have participated in Chinese Bridge competitions.

In the United States, Confucius Institutes are loosely supported by Confucius Institute U.S. Center (“CIUS”) in Washington D.C.—which describes itself as a non-profit educational institution that promotes “global education, Chinese language
According to CIUS, it provides school districts that wish to develop a Chinese language curriculum with resources and support. It also provides professional development opportunities to U.S. Confucius Institutes. Hanban opened CIUS in 2013 during an event attended by Chinese Vice President Liu Yandong and Minister of Education Yuan Guiren.

While Hanban designates CIUS as its “Overseas Representative” in the United States, as shown in the publicly available screenshot above, CIUS told the Subcommittee that “CIUS is not the headquarters for the [Confucius Institutes].” In fact, in a letter to Subcommittee staff, CIUS stated it does not have authority over any of the individual Confucius Institutes in the United States:

- “CIUS is not involved in funding, managing or supervising how each college or university operates its own [Confucius Institute].”

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24 Id.
27 Letter from Qing Gao, Executive Director, Confucius Institute U.S. Center (Sept. 12, 2018).
• “It is critical to note that CIUS has no contractual relationship with, or any control over, any individual [Confucius Institute] or any university that hosts one.”

• “What CIUS does not do is to provide financial support to or supervise any CIs or place any conditions on what the CIs may or may not do. CIUS is also not a central repository for all the work done by or information about individual [Confucius Institutes].”

2. Hanban’s Contracts and Implementation Agreements with U.S. Schools

Confucius Institutes are hosted by private and public universities located on U.S. school campuses. Each U.S. school customarily provides its own resources, a physical space for the Confucius Institute, an American Director, and administrative support. Hanban typically provides its funding, a Chinese Director, Chinese teachers, and course materials. Confucius Institutes typically receive between $100,000 to $200,000 in start-up funding. After that, Confucius Institutes usually receive similar amounts in annual funding from Hanban, but in some instances are given significantly more.

To establish a Confucius Institute, a potential host school must first submit an application and sign an agreement with Hanban and a Chinese partner school. While the management of Confucius Institutes varies from school to school, the

28 Id.
29 Id.
34 PETERSON REPORT at 70.
35 What are the features of the Confucius Institute’s operation?, HANBAN (July 2, 2010), http://english.hanban.org/article/2010-07/02/content_153909.htm.
agreement outlines the obligations of each party, the management structure, and the scope of activities to be conducted by the Confucius Institute. Generally, Hanban then provides guidelines, finances, and staff for the Confucius Institute, which is managed by a board of directors consisting of members from the U.S. school and the partner Chinese school. These agreements are typically valid for five years with options to renew for an additional five years.

Confucius Institute operations vary dramatically between schools in the United States. For example, some Confucius Institutes are part of a specific academic department or administrative office, while others report to leadership offices outside of specific departments, such as the President’s office. Confucius Institutes course offerings also vary greatly. While nearly all Confucius Institutes offer Chinese language classes, some are for course credit and others focus primarily on non-credit classes for community members. Confucius Institutes also offer events promoting Chinese culture, such as dumpling making, Tai Chi, and celebrations of the Chinese New Year and other Chinese holidays.

The Chinese government primarily relies on Hanban’s Constitution and the By-Laws of the Confucius Institute (“Constitution”) to regulate, monitor, and control Confucius Institutes in the United States and around the world.

37 Peterson Report at 29.
38 Peterson Report at 45.
40 Id.
41 Id. at 14.
42 Id. at 14, 24.
43 See, e.g., Classes, CONFUCIUS INST. MASON, https://confucius.gmu.edu/classes-training/classes.
The Constitution lays out procedures regarding application processes, funding, and administration and forbids Confucius Institutes from “contraven[ing] ... the laws and regulations of China.” The Constitution also provides that Hanban can pursue legal action for any violation of the Agreement or the Constitution that “tarnishes the reputation of the Confucius Institutes.”

3. Confucius Classrooms

In addition to supporting U.S. Confucius Institutes, Hanban also supports U.S. Confucius Classrooms. Confucius Classrooms are centers for Chinese culture and language that are established at both public and private K–12 schools. According to Hanban, Confucius Institutes provide funding for Confucius Classrooms as well as teaching materials, resources, and in some cases, personnel. Some Confucius Classroom programs are designed to advance a school’s existing Chinese program with additional funding and resources, while others assist schools that wish to start a Chinese language program from scratch.

Like Confucius Institutes, Hanban has expanded Confucius Classrooms over the last several years, reaching large numbers of schoolchildren worldwide. According to Hanban’s own statistics, by 2017, Hanban had established 1,113 Confucius Classrooms around the world, as the chart shows below.
This rapid growth can be explained in part by the Confucius Classroom model. A single Confucius Institute may have multiple active Confucius Classrooms that all depend upon that Confucius Institute for assistance, funding, guidance, and mentorship. According to its website, Hanban generally awards $10,000 dollars to each Confucius Classroom that is distributed via the parent Confucius Institute. Schools also can receive up to $20,000 in Chinese language materials and equipment. Through Confucius Classrooms, some U.S. students have attended Hanban summer camps in China and visited their Classroom’s Chinese partner school. U.S. school administrators have also received sponsored trips to China and educational exchanges with Chinese schools.

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4. Chinese Officials’ Descriptions of Confucius Institutes and Confucius Classrooms

While Hanban maintains that Confucius Institutes serve “to enhance understanding of Chinese language and culture among foreigners, develop friendly relations between China and other countries, foster the development of multiculturalism and contribute to the building of a harmonious world,” some Chinese government officials have expressed different motives. For example, government officials have said that Confucius Institutes are among the tools China uses to improve its reputation in the world through “soft power.”57 And the State Department has also labeled Confucius Institutes as “China’s most prominent soft-power platforms.”58 “Soft power” is characterized as “the ability to affect others to obtain the outcomes one wants through attraction rather than coercion or payment.”59 In other words, “soft power” is an “attempt to persuade people toward a compliant attitude, rather than coerce conformity.”60

Over the past several years, some Chinese officials have publicly acknowledged and discussed motivations for Confucius Institutes. First, Li Changchun, a former member of the Chinese government, explained in a 2011 speech that, “The Confucius Institute is an appealing brand for expanding our culture abroad. It has made an important contribution toward improving our soft power. The ‘Confucius’ brand has a natural attractiveness. Using the excuse of teaching Chinese language, everything looks reasonable and logical.”61 Two years earlier, Li Changchun commented, “that Confucius Institutes are an important part of China’s overseas propaganda set-up.”62

Second, in 2010, former Minister of Propaganda Liu Yunshan reportedly described foreign activity goals in the People’s Daily, the biggest newspaper group in China:

62 Id.
Coordinate the efforts overseas and domestic propaganda, further create a favorable international environment for us . . . With regard to key issues that influence our sovereignty and safety, we should actively carry out international propaganda battles against issues such as Tibet, Xinjiang, Taiwan, Human Rights, and Falun Gong. Our strategy is to proactively take our culture abroad ... [w]e should do well in establishing and operating overseas cultural centers and Confucius Institutes.  

Finally, comments by Xu Lin, the Director General of the Confucius Institute Headquarters, indicate that he sees Confucius Institutes as a way to disseminate China’s views on sensitive issues. In a 2014 interview, Xu Lin said that when Confucius Institute teachers return to China she asks them whether students have inquired about the Taiwanese relationship with China and what answer they gave in response. She later stated, “Every mainland teacher we send . . . will say Taiwan belongs to China. We should have one China. No hesitation.”

5. Recent Testimony and Subsequent Confucius Institutes Closures

Over the last several years, members of Congress, U.S. government officials, and academics have raised a number of concerns about Confucius Institutes, including about academic freedom, contractual agreements, transparency, hiring practices, and self-censorship. The U.S. Senate Judiciary Committee, Senate Select Committee on Intelligence, and Foreign Relations Committees all held broad hearings that discussed China at which Senators heard from experts on U.S.-China relations, academic freedom advocates, and law enforcement officials. Additionally, members of Congress from several states issued public letters to U.S. schools with Confucius Institutes urging them to reconsider their arrangement with Hanban.

In a December 2018 Senate committee hearing titled, “China’s Non-Traditional Espionage Against the United States: The Threat and Potential Policy

63 Id.
Responses,” Bill Priestap, the FBI’s Assistant Director for the Counterintelligence Division, stated:

The Confucius Institutes, in my mind, are not strictly a cultural institute. The Confucius Institutes are a Chinese government-funded cultural institute. That means they’re ultimately beholden to the Chinese government. And there have been instances around the world in which those institutes have, say, quashed free speech, in particular, in regards to issues involving Tibet.67

Mr. Priestap also stated that “there have been instances where [Confucius Institutes] appear to have quashed free speech.”68 At an earlier Senate Select Committee on Intelligence hearing, FBI Director Christopher Wray articulated concerns in his testimony. Director Wray said the FBI is “watching warily” and that Confucius Institutes are:

[J]ust one of many tools that [the Chinese] take advantage of. We have seen some decrease recently in their own enthusiasm and commitment to that particular program, but it is something that we’re watching warily and in certain instances have developed appropriate investigative steps.”69

He then discussed higher education more broadly:

And I think the level of naïveté on the part of the academic sector about this creates its own issues. They’re exploiting the very open research and development environment that we have, which we all revere, but they’re taking advantage of it. So one of the things we’re trying to do is view the China threat as not just a whole-of-government threat but a whole-of-society threat on their end, and I think it’s going to take a whole-of-society response by us. So it’s not just the intelligence community, but it’s raising awareness within our academic sector, within our private sector, as part of the defense.70

68 Id.
70 Id.
More recently, in the 116th Congress, Robert Ashley, the Director of the Defense Intelligence Agency, addressed Confucius Institutes at a Senate Select Committee on Intelligence open hearing.\(^{71}\) Director Ashley stated:

Even last year we talked about the Confucius Institutes. That word gets out. Since 2014, thirteen universities have closed down the Confucius Institutes. US-wide, I think the number is about one hundred. But again, in my previous comment, in terms that this is a global issue. While we’ve closed down about thirteen in the U.S., there’s been about a 23% increase globally in Asia, Europe, and other places. And there’s probably about 320-plus Institutes that exist globally. So the education is getting out from a US standpoint and its trending the right way slowly, but again it is a global problem and we are as weak as the relationships with some of those partners that are subject to influence.\(^{72}\)

In addition to hearing testimony, several members of Congress wrote to U.S. schools in their states expressing concern over the hosting of Confucius Institutes. For example, Senator Marco Rubio wrote in a February 2018 letter sent to all Florida universities operating Confucius Institutes that “[g]iven China’s aggressive campaign to ‘infiltrate’ American classrooms, stifle free inquiry, and subvert free expression both at home and abroad, I respectfully urge you to consider terminating your Confucius Institute agreement.”\(^{73}\) Florida schools have hosted at least five Confucius Institutes in various geographical regions of the state, among the most in the nation.\(^{74}\)

Hanban has also opened several Confucius Institutes in Texas.\(^{75}\) In March 2018, Congressmen Michael McCaul and Henry Cuellar sent a letter to Texas schools, citing “China’s subversive behavior and malicious intent to suppress our American values of free expression, speech and debate” as grounds for encouraging

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\(^{71}\) *Open Hearing on Worldwide Threats: Hearing Before the S. Select Comm. on Intelligence, 116th Cong. (Jan. 29, 2019)* (testimony of Robert Ashley, Dir. Defense Intelligence Agency).

\(^{72}\) *Id.*


\(^{75}\) *Id.*
the closures of Confucius Institutes.\textsuperscript{76} Finally, Congressman Seth Moulton urged two Massachusetts colleges to disassociate with Confucius Institutes.\textsuperscript{77} According to a news report, he also sent letters to 38 other colleges in Massachusetts without Confucius Institutes “discouraging them from ever opening one.”\textsuperscript{78}

Iowa Senator Chuck Grassley also expressed his concern over the Department of Justice’s lack of enforcement of the Foreign Agents Registration Act (“FARA”) requirements with respect to Confucius Institutes. In an October 2018 letter to the Attorney General, Senator Grassley wrote:

\begin{quote}
[T]he Confucius Institute’s activities appear to mirror the opinions of the Chinese government. Together with the state funding and other indicia of agency the activities of the Institutes show that they are inherently political in nature and intended to influence U.S. policy and public opinion. This type of activity falls squarely within the scope of FARA’s reporting obligations.\textsuperscript{79}
\end{quote}

Congress passed limited legislation sought to address some of these concerns, most notably in the John McCain 2019 National Defense Authorization Act (the “NDAA”). The NDAA, enacted in August 2018, prohibits the Department of Defense from (1) obligating funds for Chinese language instruction provided by a Confucius Institute, or (2) obligating or expending funds to support a Chinese language program at an institution of higher education that hosts a Confucius Institute.\textsuperscript{80} The law allows the Department of Defense to waive the second set of restrictions after making certain certifications to the appropriate congressional committees.\textsuperscript{81}

Two North American think tanks specializing in post-secondary issues recommended changes to Confucius Institutes and their operations. First, a June 2014 report by the American Association of University Professors urged universities

\textsuperscript{78} \textit{Id}.
\textsuperscript{81} \textit{Id}. 

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to end their involvement with Confucius Institutes unless (1) the contracts could be renegotiated to give universities unilateral control over all academic matters; (2) Confucius Institute teachers would be given the same academic freedom rights afforded other faculty members; and (3) and the contract is made available to all members of the school community.82

Second, in December 2013, the Canadian Association of University Teachers (“CAUT”) called on Canadian universities to close their Confucius Institutes.83 CAUT, which represents close to 70,000 academic professionals in Canada, passed a resolution asking Canadian universities and colleges with Confucius Institutes to shut down the institutes on their campuses, and those currently negotiating to get an institute to discontinue those discussions.84 The CAUT Executive Director stated that “Confucius Institutes are essentially political arms of the Chinese government” and “restrict the free discussion of topics Chinese authorities deem controversial and should have no place on our campuses.”85

Over the past five years, more than a dozen U.S. schools closed their Confucius Institutes or refused to extend their contract with Hanban. The first notable closure was the University of Chicago, which announced in September 2014 that it would not be renewing its contract, citing statements made by Xu Lin, the Hanban’s Director General as the reason for the split.86 According to a news report, Chicago officials cited the following line as problematic: “Many people have experienced the inflexibility and toughness of Xu Lin.”87 Earlier that year, more than 100 professors at the school signed a petition requesting the closure of its Confucius Institute, mentioning the school’s lack of control over the hiring and training of Confucius Institute teachers.88

84 Id.
85 Id.
Also in 2014, Pennsylvania State University decided to end its relationship with Hanban. The dean of the school’s College of the Liberal Arts remarked in a written statement that “several of our goals are not consistent with those of [Hanban].” Later, in 2018, Texas A&M University decided to close its Institute after Congressmen Cuellar and McCaul sent their public letter urging them to close their Confucius Institutes, calling them “a threat to our nation’s security.” Also in 2018, the University of North Florida and the University of West Florida announced the closure of their Confucius Institutes. The timeline below shows all of the U.S. schools that have closed their Confucius Institutes as of the publication of this report.

![Timeline](image)

Finally, criticism of Confucius Institutes is not limited to the United States. Issues of academic freedom and employment discrimination have raised concerns internationally. In 2014, several news agencies reported that a European Association for Chinese Studies conference in Portugal was partially funded by Hanban. The reports asserted that upon arriving at the conference, Xu Lin ordered her associates to remove the conference materials from the venue and

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90 Id.


returned them two days later with pages missing.95 The missing pages included information relating to the Taiwan National Central Library as well as an advertisement for Chiang Ching-kuo, a Taiwan-based foundation that had cosponsored the conference.96 In response, the president of the association ordered that the pages be reprinted.97

B. The U.S. Department of Education

The U.S. Department of Education plays an important role in publishing information on foreign funding provided to U.S. schools. All U.S. colleges and universities that offer bachelor’s degrees or higher and participate in Title IV student assistance programs must file a report with the Department of Education listing all foreign gifts received if the value from a single source exceeds $250,000 within a given calendar year.98 A gift is defined in the statute as any giving of money or property.99 These transparency reports must include information concerning the following three items:

1. The foreign source of such gifts or financing, such as “Giftor Name” “Country of Giftor” “Foreign gift Amount” and “Gift Type.”

2. Any contracts with such a foreign entity.

3. Any ownership interests in or control over the institution by a foreign entity.100

As defined by federal law, a contract is any agreement for the “acquisition by purchase, lease, or barter of property or services for the direct benefit or use of either of the parties.”101 Current federal law defines foreign sources as one of four types of entities: (1) a foreign government or agency of a foreign government; (2) a

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101 “Public Law 89-329: Higher Education Act of 1965.” (79 Stat. 1965; Date:
legal entity created solely under the laws of one or more foreign states; (3) a non-citizen or non-national of the United States; or (4) an agent acting on behalf of a foreign entity.\textsuperscript{102}

A U.S. school is required to disclose such gifts if it: (1) has legal authorization to provide post-secondary (collegiate) education; (2) provides either (a) a bachelor’s or advanced degree or (b) at least two years’ worth of full credit towards a bachelor’s degree; (3) is nationally accredited; and (4) currently receives any financial aid from the federal government, either directly or indirectly.\textsuperscript{103}

The Department of Education requires biannual reporting of gift information, with a deadline of either January 31 or July 31, whichever is closer from the date of receiving the a foreign gift was received.\textsuperscript{104} January reports cover the period from July 1 to December 31 of the previous year, and July reports are meant to cover the period from January 1 to July 31 of the same year.\textsuperscript{105} The Department of Education publishes a spreadsheet on its website that details all foreign gifts reported by U.S. schools from January 1, 2012 to June 30, 2018.\textsuperscript{106}

U.S. schools that fail to disclose such gifts can be subjected to civil action in Federal District Court by the Department of Justice at the request of the Secretary of Education.\textsuperscript{107} If found guilty of willful negligence in reporting of foreign gifts, the school bears the responsibility of reimbursing the U.S. Treasury for obtaining compliance.\textsuperscript{108}

In October 2004, the Department of Education sent a formal notification to U.S. schools detailing the requirements regarding reporting gifts from and contracts coming from foreign sources.\textsuperscript{109} The letter outlined the procedures for reporting such figures, and the aforementioned penalties incurred should such a report fail to be produced.\textsuperscript{110} The Department of Education warned that, “Institutions are encouraged to carefully review the full text of section 117 of the [Higher Education Act] in order to ensure their compliance with the provision.”\textsuperscript{111} The Department has

\textsuperscript{102} \textit{Id.}
\textsuperscript{103} \textit{Id.}
\textsuperscript{106} \textit{Id.}
\textsuperscript{107} \textit{Id.}
\textsuperscript{109} \textit{Id.}
\textsuperscript{110} \textit{Id.}
\textsuperscript{111} \textit{Id.}
not updated this information or sent any additional reminders or guidance in the past 15 years.

C. The U.S. State Department

The State Department, the lead U.S. foreign affairs agency, “develops strategies for its functional bureaus,” which implement foreign public diplomacy programs. Public diplomacy efforts are key to the State Department successfully accomplishing its mission in foreign countries. According to the State Department, the mission of American public diplomacy is to:

[S]upport the achievement of U.S. foreign policy goals and objectives, advance national interests, and enhance national security by informing and influencing foreign publics and by expanding and strengthening the relationship between the people and Government of the United States and citizens of the rest of the world.

As currently structured, the Under Secretary for Public Diplomacy and Public Affairs is responsible for implementing public diplomacy efforts at the State Department. Six bureaus, offices, and one unit constitute the Public Diplomacy components:

1. Bureau of Educational and Cultural Affairs (“ECA”)
2. Bureau of International Information Programs (“IIP”)
3. Bureau of Public Affairs (“PA”)
4. Global Engagement Center (“GEC”)
5. Office of Policy, Planning and Resources (“R/PPR”)
6. Expo Unit (“EXPO”)

ECA “designs and implements educational, professional, and cultural exchange and other programs that create and sustain the mutual understanding with other countries necessary to advancing United States foreign policy goals,” including “American Spaces” and “American Cultural Centers” that provide education programs on media literacy, English language skills, and

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114 U.S. State Dep’t, Under Secretary for Public Diplomacy and Public Affairs (June 6, 2018), https://www.state.gov/r/.
115 Id.
116 Id.
entrepreneurship, among other topics. According to the State Department, “[w]hile the Bureau of Public Affairs manages news of the day primarily for U.S. audiences and the Bureau of Education and Cultural Affairs builds long-term relationships through exchanges, IIP advances U.S. foreign policy goals directly with foreign audiences in support of U.S. embassies, consulates and missions abroad.”

1. The State Department’s Public Diplomacy Efforts in China

The People’s Republic of China “is the world’s most populous country (1.4 billion people) and second largest economy and source of outward foreign investment.” According to the State Department Inspector General, the United States and China have “extensive economic relations, with areas of cooperation and disagreement.” Mission China, a term used referring to the U.S. embassy in Beijing and consulates general in Chengdu, Guangzhou, Shanghai, Shenyang, and Wuhan, develops goals and plans to engage with Chinese citizens. Mission China’s Integrated Country Strategy (“ICS”) has three goals:

1. Increase U.S. prosperity through greater trade and investment and China’s expanded participation in global and regional economic institutions.

2. Promote U.S. national security through greater cooperation with China within the current rules-based international system to address transnational, global, and regional challenges.


“Despite Chinese Government-imposed barriers to public engagement, the State Department’s Public Affairs Section (“PAS”) used a full range of programs and

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118 Id.
120 Id.
121 Id. at 1-2.
122 Id.
tools to advance ICS goals, with an emphasis on trade and investment, security cooperation, human rights, public health, and the environment.”¹²³ One of those public diplomacy efforts was the “American Cultural Center” programming, which is discussed later in this report. Since 2010, PAS disbursed more than $5 million “in grants to support 29 of these centers at Chinese universities.”¹²⁴ The State Department Inspector General found that the grants were “ineffective as an outreach tool.”¹²⁵

2. The State Department’s Visa Oversight Responsibilities

The U.S. government issues thousands of visas annually to non-Americans that allow them to live in the United States for varying lengths of time. The State Department, along with the Department of Homeland Security and other federal partners, has an oversight role of sponsors involved with non-immigrant visas. According to a 2012 Government Accountability Office review, “The Department of State’s visa issuance process is the first line of defense against fraudulent or unlawful entry into the United States. The State Department issues millions of visas annually for both temporary visitors (non-immigrant visas) and permanent immigrants (immigrant visas).”¹²⁶

The Exchange Visitor Program (“EVP”), a non-immigrant visa category also known as a J-Visa, is for individuals approved to “participate in work-and study-based exchange visitor programs.”¹²⁷ The EVP is administered by the ECA and was introduced under the Mutual Educational and Cultural Exchange Act of 1961 (P. L. 87-256). According to the State Department, the EVP “fosters global understanding through educational and cultural exchanges.”¹²⁸

The State Department’s Office of Private Sector Exchange is responsible for maintaining the integrity of the EVP by administering nationwide designated sponsor review programs.¹²⁹ This office designates U.S. Federal, public, and private organizations to conduct educational and cultural exchange programs in 13 “different categories through which qualified foreign nationals can come to the United States to study, teach, conduct research, work, and train.”¹³⁰

¹²³ Id. at 7.
¹²⁴ Id. at 9.
¹²⁵ Id. at OIG Highlights.
¹²⁶ U.S. GOV’T ACCOUNTABILITY OFF., GAO-12-888, STATE COULD ENHANCE VISA FRAUD PREVENTION BY STRATEGICALLY USING RESOURCES AND TRAINING 1 (Sept. 2012).
¹²⁷ U.S. State Dep’t, Exchange Visitor Program: Common Questions for Participants (Jan. 9, 2019), https://j1visa.state.gov/participants/common-questions/
¹²⁸ Id.
¹³⁰ Id.
The State Department officers in Washington, D.C. are required to conduct regulatory examinations of designated sponsors in the program categories.\textsuperscript{131} According to the State Department, reviews are led by officers and “may include staff from two other offices of the Department of State, Bureau of Educational and Cultural Affairs Directorate for Private Sector Exchange (“ECA/EC”): the Office of Designation and the Office of Private Sector Exchange Administration.”\textsuperscript{132} Designated sponsors may be selected for reviews for a number of reasons, “including for a routine program evaluation, follow-up on a serious exchange visitor complaint or a series of complaints, or in connection with a review of a particular Exchange Visitor Program category.”\textsuperscript{133}

Chinese nationals seeking entry to the United States to work at a Confucius Institute or in a Confucius Classroom would generally need to obtain one of five types of J-1 visas. The most common exchange visitor here is Exchange Visitor Visa–Research Scholar. Research Scholars are foreign nationals “who enter the United States for the primary purpose of conducting research, observing or consulting in connection with research projects at research institutions, corporate research facilities, museums, libraries, post-secondary accredited academic institutions, or similar types of institutions.”\textsuperscript{134} Additionally, a research scholar may teach or lecture, but only if his or her sponsor allows it.\textsuperscript{135} Professors are foreign nationals “who enter the United State for the primary purpose of teaching, lecturing, observing or consulting at accredited post-secondary academic institutions, museums, libraries or similar types of institutions.”\textsuperscript{136} Additionally, a professor may also conduct research, but only if his or her sponsor allows it.\textsuperscript{137}

Alternatively, those coming into the United States on a Teacher Exchange Visa come with the purpose of teaching full-time in an “accredited primary, including pre-kindergarten, or secondary (“K−12”) public or private school.”\textsuperscript{138} To qualify for this visa, an applicant must either be a current teacher in their home country who meets the qualifications for teaching and has been teaching for at least

\textsuperscript{131} U.S. State Dep’t, Compliances Reviews and Sanction Actions (Aug. 16, 2018), https://j1visa.state.gov/sponsors/current/regulations-compliance/compliance-reviews-and-sanction-actions/
\textsuperscript{132} Id.
\textsuperscript{133} Id.
\textsuperscript{134} U.S. State Dep’t, Bureau of Educational and Cultural Affairs, Research Scholar Program, https://j1visa.state.gov/programs/research-scholar/.
\textsuperscript{135} A sponsor is “a legal entity designated by the Secretary of State to conduct an exchange visitor program.” 22 CFR § 62.2Id.
\textsuperscript{136} U.S. State Dep’t, Professors Program, https://j1visa.state.gov/programs/professor.
\textsuperscript{137} A sponsor is “a legal entity designated by the Secretary of State to conduct an exchange visitor program.” 22 CFR § 62.2
\textsuperscript{138} Id. at Teacher; see also 22 CFR § 62.24.
two years. If they are not currently a teacher in their home country, they must otherwise meet the eligibility qualifications and: 1) have completed an advanced degree within the past 12 months; or (2) have two years of full-time teaching experience within the past eight years. Additionally, the applicant must possess a bachelor’s degree in education or in the subject he or she intends to teach, and he or she must comply with the teaching eligibility requirements of the state in which he or she will be teaching.

IV. CONFUCIUS INSTITUTES

Confucius Institutes are funded, controlled, and mostly staffed by Hanban to present Chinese government approved programming and events to students at U.S. schools. As detailed in this section, Hanban controls nearly every aspect of a Confucius Institute’s operation in the United States.

China’s influence starts when a U.S. school seeks to establish a contract with Hanban to obtain teachers, instructors, or advisors from a Chinese school. That contract, filled with provisions governing the relationship between the U.S. school, the Chinese-partner school, and Hanban, can include non-disclosure language that frustrates the transparency associated with academic freedom on U.S. school campuses. Hanban then provides significant funding for Confucius Institutes, dispatches vetted and approved Chinese directors and teachers to the U.S. school, and has veto authority over Confucius Institute programming. There is no other comparable arrangement with a foreign government in U.S. higher education.

The Subcommittee reviewed the agreements or contracts of fifteen U.S. schools, their Chinese school partners, and Hanban. The Subcommittee also visited with or interviewed Confucius Institute officials to learn more about the Confucius Institute’s founding; how Chinese instructors and directors are selected; and how Confucius Institutes operate. This section examines those topics.

A. Confucius Institute Formation at U.S. Schools

A Confucius Institute is generally born out of a contractual relationship between Hanban, a U.S. school, and a Chinese school. The U.S. and Chinese schools typically sign a memorandum of understanding or an implementation agreement. The U.S. school then signs a separate agreement directly with Hanban. As discussed below, these contracts often cede control of events and content to Hanban, which funds Confucius Institute programming and plays a significant role

139 Id.
140 Id.
141 22 CFR § 62.24 (d).
142 Documents and Interview Records on file with the Subcommittee.
in hiring instructors and directors. Through its funding authority, Hanban has influence and exerts control over activities conducted at U.S. schools.

According to numerous interviews conducted by the Subcommittee, most Confucius Institute agreements require that the U.S. school provide a venue, a director—typically a U.S. school employee—and administrative support staff.\(^{143}\) The Chinese partner school provides one faculty member to serve as the Chinese director and teachers to serve as Chinese language instructors.\(^{144}\) The Chinese partner school allows its employees to take the leave necessary to serve at U.S. Confucius Institutes.\(^{145}\)

Hanban also provides start-up funding, usually between $100,000 and $200,000, but this amount can vary considerably.\(^{146}\) At many Confucius Institutes, Hanban also provides supplementary annual funding, in addition to paying the salaries of the Chinese director and instructors.\(^{147}\) Finally, Hanban usually provides teaching materials and about 3,000 books for each Confucius Institute.\(^{148}\)

In addition to the memorandum of understanding and implementation agreements, the relationship between the U.S. school and Hanban is also governed by the Confucius Institute Constitution which is “applicable to all Confucius Institutes worldwide.”\(^{149}\) According to the Constitution, and consistent with the implementation agreement, Confucius Institutes are intended to serve as “non-profit educational institutions.”\(^{150}\) Hanban’s Constitution furthermore states that the role of the Confucius Institute is to promote Chinese language and culture while engaging in “cultural exchange between China and other countries.”\(^{151}\)

\(^{143}\) Documents and Interview Records on file with the Subcommittee.

\(^{144}\) Documents on file with the Subcommittee (July 23, 2018, July 17, 2018, Nov. 29, 2018).

\(^{145}\) Id.

\(^{146}\) PETERTON REPORT at 68.

\(^{147}\) Id.

\(^{148}\) Documents on file with the Subcommittee (July 17, 2018, July 26, 2018, July 27, 2018).


\(^{150}\) Id.

\(^{151}\) Id.
While Hanban’s Constitution is the organizing document for Confucius Institutes worldwide, individual agreements establish each Confucius Institute and ultimately bind the U.S. school, the Chinese school, and Hanban together. Essentially, all agreements provide for the same general purpose and scope of activities—that is, to provide Hanban-approved Chinese language instruction, train teachers to teach Chinese in primary and secondary schools, administer the Chinese Proficiency Test (“HSK”), and to promote Chinese language and culture by, among other things, sponsoring Chinese cultural events, speakers and competitions.152

Although some Confucius Institute instructors or directors participate in credit-bearing courses, many reviewed by the Subcommittee offer non-credit language instruction and teacher training to non-student community members. Nine of the fifteen Confucius Institutes reviewed by the Subcommittee, had instructors or directors involved in credit-bearing courses.153 And according to Hanban’s own reporting, as of 2017, 85 percent of its Confucius Institutes around the world are involved “in the universities’ credit systems.”154

153 Documents and Interview Records on file with the Subcommittee.
also offer Chinese culture activities such as dumpling-making, paper-cutting, Tai Chi, and various holiday celebrations such as the Chinese New Year.\textsuperscript{155}

Most Confucius Institutes operate as separate ventures within their respective universities. Nevertheless, some agreements provide for increased collaboration between a U.S. school and a Confucius Institute. For example, the agreement between Hanban and one U.S. school calls for the establishment of:

[A] named Confucius Institute Directorship of Chinese Language Pedagogy, who shall oversee planning for Chinese language teaching programs at [U.S. school] and provide training courses for the Chinese language lecturers and graduates majoring in Chinese language [at the U.S. school].\textsuperscript{156}

In addition, the agreement states that, “[t]he Confucius Institute at [the U.S. school] will develop ‘Confucius Institute Research Projects’ related to the study of modern China and Chinese culture,” and that the Confucius Institute “will provide support for programs related to language study at [the School of Arts & Sciences].”\textsuperscript{157}

\textbf{B. Confucius Institute Board of Directors}

Hanban’s typical implementation agreement details the management structure of Confucius Institutes, to include a Confucius Institute Board of Directors (the “Board”).\textsuperscript{158} Confucius Institutes generally have a Board that acts as the “supreme collective management body” and is “responsible for overall management” of the Confucius Institute.\textsuperscript{159} According to Hanban’s Constitution, the Board is “responsible for assessing and approving the Confucius Institutes’ development plans, annual plans, annual reports, project implementation schemes, budget proposals, [and] final financial accounts.”\textsuperscript{160} The Board can appoint and dismiss both the American and Chinese directors.\textsuperscript{161} When a Board is comprised of equal members from the U.S. and Chinese schools, control and direction of the

\textsuperscript{156} Documents on file with the Subcommittee (July 25, 2018).
\textsuperscript{157} Id.
\textsuperscript{159} Documents on file with the Subcommittee (July 23, 2018).
\textsuperscript{161} Id.
Confucius Institute is shared equally. Even when the board composition favors the U.S. school by one member, Hanban—through the Chinese board members and control over important funding decisions—still wields significant influence over all Confucius Institute operations.

The Constitution itself does not require a certain number of Board members or suggest the balance between the U.S. and Chinese schools. It does, however, require that the Board “consist of members from both sides” to be determined through “consultation.” This arrangement, at a minimum, assures Chinese representation on the board and secures some measure of control and oversight for Hanban which already controls funding and, to a large extent, its hiring and programming.

Typically, the duties of the Board include formulating and amending the policies of the Institute; writing development plans for the Institute; decision-making on significant issues including teaching, research and management; fundraising; appointment and removal of the directors of the Institute, subject to the approval of the respective home institution of the director in question; examining and approving an annual budget proposal and final financial accounts. In addition, the Constitution requires that the Board report directly to Hanban:

The Board shall provide Hanban with copies of approved annual budget proposals and financial reports. The Directors shall provide the Board with a summary of financial accounts of Hanban funds spent and annual budget proposals for funds requested from Hanban. The Board shall provide Hanban with copies of approved annual budget proposals and financial reports.

In practice, the roles and responsibilities of the Boards varied at the U.S. schools interviewed by the Subcommittee. One U.S. school told the Subcommittee that it reviewed applications for Confucius Institute instructors and directors. A second U.S. school told the Subcommittee that it rarely convened the Board, but intended to have more frequent meetings in the future. Finally, a third U.S. school said its Board only meets at the annual Confucius Institute Conference in China.

162 Id.
164 Documents on file with the Subcommittee (July 19, 2018, July 25, 2018).
165 Interview Records on file with the Subcommittee (Oct. 22, 2018).
166 Interview Records on file with the Subcommittee (Sept. 24, 2018).
167 Interview Records on file with the Subcommittee (Nov. 14, 2018).
C. Hanban’s Confucius Institute Contracts

Confucius Institutes are created by agreements between the U.S. school, Hanban, and the Chinese-partner school. The contracts establish Confucius Institutes and include provisions that govern the related financial arrangements, budgeting processes, and legal obligations of the parties. Hanban relies on its own templates as a starting point for negotiations with the U.S. schools. Through these contracts, Hanban maintains significant leverage over the funding and curriculum of Confucius Institutes in the United States.

1. Adherence to Both Chinese and U.S. Law

Nine of the fifteen contracts reviewed by the Subcommittee contain language similar to that in the template on Hanban’s website, which sets forth the governing laws for each Confucius Institute. Specifically, one provision of the template reads, “Confucius Institute activities will be conducted generally in accordance with the Confucius Institute Constitution and … the laws and regulations of both countries.” Similarly, the Constitution sets forth, “The Confucius Institutes shall abide by the laws and regulations of the countries in which they are located, respect local cultural and educational traditions and social customs, and they shall not contravene concerning the laws and regulations of China.”

For example, one U.S. school’s contract with Hanban requires that “[t]he Institute activities must be in accordance with the Constitution and By-laws, and also respect the cultural customs, shall not contravene concerning the laws and regulations, both in the United States and China.” A different U.S. school’s contract with Hanban stipulates that Confucius Institute’s activities “will be conducted generally in accordance with the Constitution and By-laws, the regulations, policies, and practices of [the U.S. school], cultural customs in the United States and China, and the law and regulations of both countries (the ‘Standards’).” That same contract, however, continues with this important caveat:

[R]ecognizing that the Confucius Institute at the [U.S. school] will be based on [the U.S. school’s] campus, the parties agree that federal, state,

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169 Documents and Interview Records on file with the Subcommittee.
170 Documents on file with the Subcommittee (July 25, 2018, July 18, 2018).
172 Documents on file with the Subcommittee (July 18, 2018).
173 Documents on file with the Subcommittee (July 25, 2018).
and local laws of the United States, as well as [the U.S. school’s] regulations, policies, and practices (including principles of academic freedom and non-discrimination), will prevail in the event any inconsistency or conflict among these Standards.\footnote{Id.}

This provision, explicitly referring to the U.S. school’s principles of academic freedom, is an exception—and certainly not the norm.

While it is easy for U.S. school officials to dismiss the notion that Chinese law would apply on their campuses, the issue is more complicated when it comes to Chinese teachers and directors vetted and reviewed by Hanban. The U.S. schools, as discussed in more detail later in the report, have little to no visibility into the hiring process or the contractual specifics governing the relationships between Hanban, the Chinese schools, and the visiting Chinese staff.\footnote{See Subhead 3 of this Report: U.S. School Officials have Little to No Visibility into Hanban’s Application or Vetting Processes in China.}

Despite any skepticism to the contrary, it is clear that Hanban and its officials take these governing law provisions very seriously. In at least one example, a U.S. school system could not agree to the governing law clause due to provision in state law, and Hanban refused to move forward with the proposal. For nearly a year, according to documents reviewed by the Subcommittee, that U.S. school system sought to partner with Hanban to form a centralized Chinese language center that could coordinate K–12 Chinese language instruction in that state.\footnote{Documents on file with the Subcommittee (Aug. 30, 2018).} State law, however, prevented that U.S. school from “accepting litigation in a jurisdiction other than the” state it operated in.\footnote{Id.} The U.S. school then wrote to Hanban explaining, “Therefore, [the U.S. school] and school system, as State agencies, cannot agree to a clause subjecting them to either the substantive law or the jurisdiction of another state or foreign entity.”\footnote{Id.} The U.S. school subsequently proposed more generic language that it felt would allow them to comply with state law.

The compromise was not enough, however, and Hanban withdrew its proposal.\footnote{Documents on file with the Subcommittee (Aug. 30, 2018).} Hanban’s Executive Deputy Director General wrote a letter detailing why Hanban could not continue with the proposal. The letter stated:

It is understood that both our organizations are committed to the growth of the Chinese language learners in [the state]. I understand that the [State]/China proposal that you submitted has undergone deep
discussion for some time because both sides are committed to this partnership. However, I also understand that both sides must adhere to their governmental policies in each respective country.

... 

[] The MOU agreements that are signed have to follow the *Constitution and By-laws of the Confucius Institute*, which was the template shared for the agreement to be signed and approved. The [State]/China Proposal altered some of this language which does not follow the *Constitution and By-laws of the Confucius Institute*.180

In the end, according to an official from that U.S. school in an interview with the Subcommittee, the school did not have the legal authority to enter into the agreement that Hanban needed.181 The program was never established.182

2. Non-Disclosure and Confidentiality Clauses

There is also a troublesome lack of transparency concerning the contracts between U.S. schools and Hanban. Six of the fifteen contracts reviewed by the Subcommittee contained clauses limiting public disclosure of the agreement.183 Additionally, none of the contracts reviewed by the Subcommittee were publicly available online at the time of the request. Students, faculty, and other interested parties likely would not have been able to obtain Hanban’s contracts.

The non-disclosure provisions varied by contract. For example, the contract between Hanban and one U.S. school for a Model Confucius Institute stated, “The parties to this Agreement will treat this Agreement as confidential and will not, without prior written consent, publish, release or disclose the terms of this agreement to [a] third party.”184 Another U.S. school’s contract with Hanban contained an “Other Terms” provision that limited even the university’s ability to issue press releases concerning the agreement with Hanban, as shown on the next page.185

180 Id.
181 Interview Records on file with the Subcommittee (Nov. 14, 2018).
182 Id.
183 Documents on file with the Subcommittee.
184 Documents on file with the Subcommittee (July 26, 2018).
185 Documents on file with the Subcommittee (July 25, 2018).
Even if agreements did not include explicit blanket confidentiality provisions, they often included some protection against disclosure. At least one contract contained broad language that forbade the disclosure of any information related to a party’s “business methods, financial information, future plans, personnel data . . . or information designated as ‘confidential’ by a disclosing party, including but not limited to the financial terms of the [agreement].”

3. Termination Provisions

All 15 agreements between U.S. schools and Hanban reviewed by the Subcommittee include some version of a termination provision warning that a university action that “severely harms the image and reputation” of the Confucius Institute could result in termination of the agreement and Hanban funding. Some schools have a similar provision that allows either party to terminate if one party severely harms the image of the other party. All are consistent with the Confucius Institute Constitution holds that, “all Confucius Institutes shall . . . uphold and defend the reputation of the Confucius Institutes” and “accept both the supervision from and assessments made by [Hanban].” The Constitution further allows Hanban to “pursue legal action . . . and invoke punitive consequences” for any violation of the Constitution or for taking any action that “damages or tarnishes the reputation of the Confucius Institutes.”

In some cases, contract provisions obligated the U.S. school to repay Hanban if the school terminated the agreement before completion date. This strongly disincentives the U.S. school from terminating an agreement early. In at least one recent case, a U.S. school recognized this repayment dilemma while negotiating

186 Documents on file with the Subcommittee (July 19, 2018).
187 Documents on file with the Subcommittee.
188 Documents on file with the Subcommittee (Oct. 29, 2018, July 25, 2018).
190 Id.
191 Documents on file with the Subcommittee (July 27, 2018).
with Hanban. A U.S. school official reviewing Hanban’s contract for the creation and construction of a Model Confucius Institute wrote the following in an email to other officials, “I left in the early termination penalty—it’s ultimately a business call—but we need to be aware that once this deal starts up, the cost of ‘divorce’ is going to be high (unless we can trigger the ‘embarrass the University’ termination clause).”192 The final version of that contract included a detailed termination provision, as shown below: 193

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CHAPTER VIII   TERMINATION AND INDEMNIFICATION
ARTICLE 23 Upon the University’s unilateral termination of the agreement on the establishment of the Confucius Institute at the Headquarters, this agreement shall automatically terminate. In such a case, the University shall assume the liability for terminating this agreement early, and pay an early termination fee (equal to $7,500.00 multiplied by 120 minus the number of complete months that have passed between the December 30, 2016 and the date of termination). By way of illustration, if the
University terminated this Agreement effective on the date that was 48 months after the
December 30, 2016, then the early termination fee would equal $540,000 [$7,500.00 x
(120-48)]. If the University terminated this Agreement effective on the date that was
80 months after December 30, 2016, then the early termination fee would equal
$300,000 [$7,500.00 x (120-80)]. The University shall, within 45 days after the date
of the early termination of this agreement pay the early termination fee by bank transfer
to the Headquarters.
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4. Hanban Reviews and Approves Contracts between U.S and Chinese Schools

One other way Hanban maintains leverage over the relationship between the U.S. school and their Chinese counterpart is to retain final approval of the agreements. The implementation agreements or MOUs between U.S. and Chinese schools formalize the relationship between the two institutions and provide details about hiring of instructors and directors and the parties’ roles and responsibilities. In some cases, these relationships existed before Hanban’s involvement, but in other cases, Hanban initiated communications between the two schools.194

The agreements between the schools are subject to Hanban review and approval. For example, in one U.S. school’s contract with Hanban, Hanban “will

192 Id.
193 Id. The U.S. school ultimately signed the contract, but terminated the project before it started. Documents on file with the Subcommittee (Feb. 22, 2019).
authorize and appoint the Chinese institution.”

Furthermore, the contract requires that the U.S. and Chinese schools sign supplementary agreements, which “should be reviewed by the Headquarters prior to signing.” Other agreements include language such as, “The Institute must accept [Hanban’s] periodical evaluation of the Institute, including its educational and cultural programs” or “The Institute must accept the assessment of [Hanban] on the teaching quality.” Hanban, of course, also retains tangible control of the Confucius Institutes by directly providing Chinese director and teacher salaries and living expenses. Lastly, Hanban also has the power to ultimately reject applications to establish Confucius Institute programs.

D. Hanban’s Hiring Process for Chinese Directors and Teachers

While both the American and Chinese directors generally serve at the pleasure of the Board, the American director is almost always a faculty member or administrator working at the U.S. school. Confucius Institutes’ Chinese directors, teachers, and visiting scholars, on the other hand, have no previous connection to the U.S. school and are vetted, selected, and paid by Hanban and/or the Chinese school. The U.S. schools reviewed by the Subcommittee had little to no knowledge about Hanban’s interviewing, hiring, and training processes that take place in China before the selected individuals arrive in the United States.

1. Confucius Institute Directors

Confucius Institutes are typically run by two directors—an American director or as Hanban calls the position, the “foreign director,” and a Chinese director selected by Hanban. In some cases these two directors have equal authority and operate essentially as co-directors. For example, one U.S. school’s agreement with Hanban states that the Confucius Institute “will have two Co-Directors, one appointed by the University, and one by [Hanban], in consultation with the Board” and those co-directors, “shall exercise directorial authority over the affairs of the Institute by making decisions jointly.” The agreements between Hanban and three other U.S. schools reviewed by the Subcommittee require that the contracting parties appoint one director respectively without distinction. This arrangement cedes equal control of the day-to-day operations to Hanban, who hires and pays the Chinese director.

195 Documents on file with the Subcommittee (July 25, 2018).
197 Documents on file with the Subcommittee (July 18, 2018).
198 Documents on file with the Subcommittee (July 26, 2018, July 23, 2018).
201 Documents on file with the Subcommittee (Nov. 14, 2018).
Some American directors, who are typically faculty members, deans, or vice-provosts, have other responsibilities at their school beyond simply overseeing a Confucius Institute. These additional duties can allow the Chinese director to assume control of the Confucius Institute’s day-to-day operations. For instance, at one U.S. school the Subcommittee visited, the American director has a myriad of responsibilities outside of her role as the Confucius Institute’s director. These responsibilities include travel abroad, administrative duties, and teaching classes on campus. Therefore, most days, the Chinese director is left in charge of the day-to-day operations. That Chinese director, as was the case at most Confucius Institutes the Subcommittee visited, is also responsible for most of the communications with Hanban.

At some schools, the American director acts as the chief director and the Chinese director serves as his or her deputy. For example, the agreement between one U.S. school and Hanban makes clear that the U.S. school appoints a director and Hanban appoints an associate director. A different agreement establishes a similar hierarchy that makes clear that the Vice President for Arts and Sciences will act as the director and that the “Chinese partner institution will nominate a Chinese Collaborating Director.”

These distinctions between directors notwithstanding, both are appointed by, and serve at the pleasure of, the Board. According to the Constitution, the American director assumes “the main responsibility for the Institutes’ daily operation and administration.” The Chinese director is responsible for reporting to Hanban and supervising the other Chinese staff. Roles vary from school to school depending on staffing and circumstances of the specific Confucius Institute, but most agreements reflect the notion that the “day-to-day management of the Institute shall be the responsibility of the Institute’s Director and Associate Director.”

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203 Interview Records on file with the Subcommittee (Oct. 22, 2018).
204 Id.
205 Id.
206 Documents on file with the Subcommittee (Oct. 29, 2018).
207 Documents on file with the Subcommittee (July 25, 2018).
209 Id.
210 Documents on file with the Subcommittee (Oct. 29, 2018).
2. Hanban’s Application Process and Selection Criteria

According to Chinese directors and instructors interviewed by the Subcommittee, potential Confucius Institute directors and teachers apply for positions posted on Hanban’s website.²¹¹ Those Chinese directors and instructors described a process in which they responded to an opening for a specific role at a U.S. Confucius Institute posted on Hanban’s website.²¹² The applicants then consulted with their school employer and applied for the position through Hanban’s website.²¹³

Hanban develops criteria for Chinese applicants. Some of Hanban’s qualification requirements for prospective Confucius Institute teachers are posted online. In addition to required credentials such as proficiency in Chinese and English, Chinese teachers who want to teach at a Confucius Institute in the United States must “have Chinese nationality” and “have strong senses of mission, glory, and responsibility and be conscientious and meticulous in work.”²¹⁴

Hanban’s website previously contained additional requirements for Chinese applicants including, “[N]o record of participation in Falun Gong and other illegal organizations.”²¹⁵ The screen shot below was taken from an archived portion of Hanban’s webpage that details Chinese applicants “Basic Qualifications”:²¹⁶

After a Canadian documentary on Confucius Institutes shed light on this provision, however, Hanban appears to have removed it from its English-language

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²¹¹ Interview Records on file with the Subcommittee (Oct. 22, 2018).
²¹³ Id.
²¹⁶ Id.
While, the provision regarding Falun Gong was removed from Hanban’s website, the intent to exclude applicants based on religious or political affiliation remains. For example, the Chinese language application on the current Hanban application website for volunteer teachers contains new criteria requiring that an applicant have “moral integrity, no record of participation in cults and other illegal organizations, no criminal record.” While the explicit reference to “Falun Gong” was removed amidst charges of religious discrimination, the vague references to “illegal organization records,” and “cults” remain.

Hanban also establishes criteria for Chinese directors. Hanban’s website states that Chinese directors:

Should be between 35 and 55 years old, healthy, familiar with the country to which they are appointed, proficient in the local language, comfortable using computer software and the internet, and ‘passionate about Chinese language teaching and Confucius Institute undertakings.”

Hanban also states that directors should have a “sound comprehension of current Chinese national issues” and “strong ability to conduct public relations and deal effectively with emergencies.” Potential directors are also told “the nominee must abide by laws and regulations of China and the destination country.”

Once applicants are selected after submitting applications through Hanban’s website, they are then put through a series of in-person interviews in China. According to Chinese directors and instructors interviewed by the Subcommittee, all applicants are required to sit for a screening test organized by Hanban. The test includes a written examination and an interview. The written portion includes questions on Chinese language teaching; Chinese language teaching methodology; classroom management; Chinese culture and cross-cultural communication; professional ethics; and professional development issues. The interview includes, a discussion, among other things, of candidates’ professional knowledge, teaching

217 See In The Name Of Confucius (Mark Media 2017).
219 PETERSON REPORT at 36 (citing “If You Want to Apply for Position as Chinese Director of Confucius Institute,” Hanban News (Apr. 3, 2014).
221 If you want to apply for position as a Chinese director of Confucius Institute, HANBAN (Apr. 3, 2014) http://english.hanban.org/article/2014-04/03/content_530853.htm.
223 Id
skills, cross-cultural competence, foreign language competence, and a psychological evaluation.224

Several of the Chinese teachers interviewed by the Subcommittee described what they called a “psychological interview” used to determine whether or not the applicant could withstand the “culture shock” associated with living and teaching in the United States.225 This “psychological exam” is taken on a computer and contains a series of questions, including sometimes asking the applicant to draw a picture, apparently designed to gauge competency.226

In 2009, during the early stages of Hanban’s Confucius Institute program, several U.S. Confucius Institute directors expressed concerns regarding Chinese instructors and directors leaving unexpectedly. In one email chain obtained by the Subcommittee, a Confucius Institute director wrote:

I don’t think that someone fresh from China should be sent alone into a US classroom to teach. Ideally, a group of people would receive at least 3 months training and an ‘acclimatization’ opportunity to advance, and then someone would be SELECTED from this group to teach. The rest might prove to be inappropriate.227

A Hanban official responded to that email chain, “I understand the problems with teachers you have been discussing. Hanban is very very concerned about that too. We have been trying hard to think about ways to solve it and with that, we desperately need assistance with our Confucius Institute.”228

3. U.S. School Officials have Little to No Visibility into Hanban’s Application or Vetting Processes in China

U.S. schools have little to no visibility into Hanban’s application or vetting processes in China despite the fact that the applicant is going to be working on the U.S. school campus for two or more years. The entire pool of applicants presented to U.S. schools has already been reviewed, interviewed, and chosen by Hanban officials.229 The U.S. schools do not have a complete understanding of Hanban’s interview process.230 This is concerning because Hanban could use processes that

224 Id.
226 Interview Records on file with the Subcommittee (Oct. 22, 2018).
228 Documents on file with the Subcommittee (Aug. 30, 2018).
230 Id.
are not in line with hiring or selection processes at U.S. schools. As one Confucius Institute American director explained to the Subcommittee, “There’s a lot we don’t understand” about how teachers are selected and presented.231

Since the initial pool or group of applicants is screened and selected by Hanban, applicants could be screened out for reasons unknown to the school. One U.S. school official stated that he “couldn’t tell [the Subcommittee] how the group is selected.”232 Additionally, GAO investigators also spoke with U.S. school officials who “expressed concerns with the Confucius Institute teacher selection process whereby Hanban or the Chinese partner school accepts initial applications from potential Confucius Institute teachers and proposes candidates to the U.S. school.”233

Finally, none of the officials at U.S. schools visited or interviewed by the Subcommittee received contracts or agreements between Hanban or the Chinese school and their Chinese instructors and directors. Those U.S. officials, therefore, are not in a position to understand if Hanban’s hiring procedures or practices are consistent with their own teacher hiring. They also are unable to determine if those contracts included any references to “good moral character” or participation in any “illegal organizations” like Hanban’s online volunteer teacher application.

Although no school visited by the Subcommittee reviewed these contracts prior to the formation of their Confucius Institute, the Subcommittee did obtain one 2018 contract from a Chinese instructor.234 This agreement documented the instructor’s obligations to both Hanban and the Chinese school. In the English version of the contract provided to the Subcommittee, there are several references to questionable vetting and monitoring practices employed by the Chinese government:

- The contract states that the Chinese instructor should “report to the overseas work unit and/or Chinese Embassy/Consulate within one month of arrival.”235

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231 Interview Records on file with the Subcommittee (Oct. 22, 2018).
232 Interview Records on file with the Subcommittee (Sept. 24, 2018).
234 The Subcommittee was unable to obtain older versions of Hanban’s contract. Several Chinese instructors and directors referenced older contracts, but stated the contracts were not in the United States.
235 Documents on file with the Subcommittee (Nov. 14, 2018).
• The contract states that the Chinese instructor “should conscientiously safeguard national interests.”

• The contract states that the Chinese instructor must not “participate in illegal organizations,” but at the same time “should respect the culture and customs of the overseas country s/he is dispatched to and foster friendship with local people.”

• The contract requires that the Chinese school that the Chinese instructor is affiliated with must maintain the Chinese instructor’s “personal profiles, archival information as well as party affiliation.”

• The contract terminates if the Chinese instructors “violate Chinese laws” or “engage in activities detrimental to national interests; participate in illegal organizations and engage in activities against local religions and customs, hence causing bad influences.”

• The contract also terminates if Chinese instructors “refuse to follow the rules and regulations of the overseas work unit, Chinese Embassy, and Consulates and Confucius Institute Headquarters/Hanban.”

• The contract states that the Chinese instructor “agrees to abide by the relevant regulations regarding overseas dispatched teachers by Confucius Institute Headquarters/Hanban, which may not be listed in the full Agreement.”

E. Hanban’s Approval of Confucius Institute Funding and Events

Hanban approves all Confucius Institute funding and events through the contracts and budget approval process. With this control, Hanban maintains the ability to veto programming, speakers, and events held at Confucius Institutes in the United States. Some of the officials at U.S. schools visited by the Subcommittee expressed concern that Hanban has this power and can influence a range of activities. Other U.S. school officials the Subcommittee interviewed, however, did not express those same concerns. This section details Hanban’s budget approval

236 Id.
237 Id.
238 Id.
239 Id.
240 Id.
241 Id.
process, provides some examples of Hanban’s challenging approval process, and also
details Hanban’s requests for statistics and media reporting of Confucius Institute
activity in the United States.

1. Hanban Approves All Confucius Institute Spending

   i. Annual Budget and Ad Hoc Events

   Hanban reviews and approves each Confucius Institute’s annual budget
which details that year’s speakers, events, topics and more.\textsuperscript{242} According to
interviews with the Subcommittee, each Confucius Institute typically submits a
proposed budget for the upcoming year in February.\textsuperscript{243} As it works to approve that
budget proposal, Hanban will distribute roughly fifty percent of the previous year’s
budget allocation so the Confucius Institute can hold events and programming in
the first few months of the year. Hanban can also approve \textit{ad hoc} events that were
not submitted in the annual budget proposal.\textsuperscript{244} Hanban then approves the budget
and distributes the rest of the funds later in the year—usually around July or
August.\textsuperscript{245}

   In some cases, Hanban appeared to request more information about cultural
activities and lectures before approving funding. For example, one Hanban official
wrote a reminder to roughly 20 Confucius Institute directors that more information
was needed before approving the release of funds.\textsuperscript{246} The official explained that for
events in the “cultural lecture type of program” it is necessary to “please report the
name of the speaker, [provide] a brief introduction, and an outline of the lecture
before the date of the lecture. Otherwise it will be difficult to approve the funding
for these events.”\textsuperscript{247}

   In 2013, Hanban also sought to create a database of pre-approved speakers
and foreign experts that could speak at Confucius Institutes around the world.\textsuperscript{248}
According to documents reviewed by the Subcommittee, Hanban’s official in charge
of “Confucius Institute affairs in Australia and America” sent a form to U.S.
Confucius Institute directors soliciting input for a database of approved speakers.\textsuperscript{249}
The Hanban official asked the directors to complete and send back a form titled
“Recommendation Form for the Experts Selected to Make Cultural Lecture

\textsuperscript{242} Interview Records on file with the Subcommittee (Jan. 29, 2019).
\textsuperscript{243} Id.
\textsuperscript{244} Id.
\textsuperscript{245} Id.
\textsuperscript{246} Documents on file with the Subcommittee (Aug. 30, 2018).
\textsuperscript{247} Id.
\textsuperscript{248} Id.
\textsuperscript{249} Id.
Tours.”250 Hanban planned to review the forms and, as per the email excerpt below, create a database of Hanban approved presenters.251

In interviews with the Subcommittee, other Confucius Institute American directors indicated that while Hanban did not veto programming or proposed events, they often quibbled over the amount of funding requested for a particular program or event.252 For example, one Confucius Institute director told the Subcommittee that Hanban accepted “90 percent” of the U.S. school’s submissions over the past five years.253 For the other 10 percent, Hanban objected only to the amount of funding requested, and not the programming or event topic itself.254 In those cases, Hanban ultimately funded the programs, but with less funding than originally requested.255

Hanban also sought information concerning the availability of television channels at Confucius Institutes in the United States. In one example from 2011, as shown here, a Hanban official asked roughly 50 Confucius Institute directors if China Central TV (“CCTV”) was available:

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250 Id.
251 Id.
253 Interview Records on file with the Subcommittee (Jan. 28, 2019).
254 Id.
255 Id.
256 Documents on file with the Subcommittee (Aug. 30, 2018).
CCTV was the national television station of the People’s Republic of China in 2011. According to filings with the Department of Justice, “CCTV falls under the supervision of the State Administration of Radio, Film, and Television which is in turn subordinate to the State Council of the People’s Republic of China.” CCTV International was later rebranded as China Global Television Network (“CGTN”) at the end of 2016 and “now oversees all new foreign language channels and digital content.” On February 1, 2019, CGTN America registered with the Department of Justice under the Foreign Agents Registration Act.

ii. Examples of Hanban’s Approval or U.S. Schools’ Concerns

Some U.S. school officials, administrators, and instructors told the Subcommittee and other government investigators that they had concerns about the Chinese government’s control and influence over Confucius Institute planning and programming. The Subcommittee also interviewed several Chinese directors and instructors who explained that they did not have concerns about academic freedom. The following items come from the Subcommittee’s interviews and review of documents:

- One U.S. school administrator explained that when something is “funded by the Chinese government, you know what you’re getting.”

- One U.S. school administrator told the Subcommittee that while their Confucius Institute hosted a wide range of events, they still had to “get permission” from Hanban for all events.

- One Confucius Institute Chinese instructor told the Subcommittee that Hanban trained her to “just tell the truth” when it came to discussing politically sensitive issues.

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258 Id.
261 Interview Records on file with the Subcommittee (Sept. 24, 2018).
262 Interview Records on file with the Subcommittee (Nov. 14, 2018).
263 Interview Records on file with the Subcommittee (Jan. 8, 2019).

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• In an internal email, a U.S. school administrator wrote that she did a “look up” of a potential Confucius Institute speaker’s work and it “doesn’t seem particularly inflammatory.”264 A different U.S. school administrator told the Subcommittee that vetting speakers was not part of the academic process, that the email was written by the development office, and that the speaker did present at the Confucius Institute.265

• Several Confucius Institute American and Chinese directors and instructors told the Subcommittee that if a student brought up politically sensitive topics, such as Taiwan or Tibet, as language instructors they would not address them.266

• One U.S. school official told the Subcommittee that Chinese instructors and directors “wouldn’t talk about” politically sensitive issues because they just teach Chinese language courses.267

• One U.S. school recommended replacing teachers hired by Hanban and the Confucius Institute with language teachers hired directly by the school’s East Asian languages department. The school explained that this recommendation was in reaction to “campus discomfort with the language teaching element” of the Confucius Institute because using “‘outsourced’ teachers is often more trouble than it is worth.”268 The school also recommended making clear that Hanban would not have “line item veto in approving the annual” Confucius Institute budget.269

• One U.S. school official, at a world-renowned U.S. institution, explained to the Subcommittee that Hanban made a particularly large gift because it wanted be “associated with a topflight American university.”270

• Several Chinese embassy officials visited one U.S. school after the U.S. Government Accountability Office sent a request for information concerning Confucius Institutes, according to one U.S. school

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264 Documents on file with the Subcommittee (July 30, 2018).
265 Interview Records on file with the Subcommittee (Jan. 25, 2019).
267 Interview Records on file with the Subcommittee (Sept. 24, 2018).
268 Documents on file with the Subcommittee (July 18, 2018).
269 Id.
270 Interview Records on file with the Subcommittee (Jan. 25, 2019).
administrator. The embassy officials wanted to know if that U.S. school received the request and if they intended to comply with it.\textsuperscript{271}

- A U.S. school conducted an internal review that found “a political science professor who taught in China expressed deep concern about visiting faculty having been given a manual of dos and don’t and having a HANBAN class monitor assigned to observe each class session.”\textsuperscript{272} That internal review, however, concluded that “it appears HANBAN exerts little, if any political influence on [the U.S. school’s] programming and activities …”\textsuperscript{273}

- One U.S. school “slow-rolled” the construction of a Model Confucius Institute building because Hanban “tried to exert too much control” over the project. That same school eventually signed the contract once they were satisfied with the terms, but recently cancelled the project given the “current political environment.”\textsuperscript{274}

- One State Board of Education office wrote an email to the Confucius Classrooms in the state, “For those schools who've recently been awarded Confucius Classroom funds, please note that they may not be used to support attendance at, or sponsoring of Shen Yun performances.”\textsuperscript{275} According to the State Department, Shen Yun is “a Falun Gong-related performing arts show.”\textsuperscript{276}

At the request of several members of Congress, the U.S. Government Accountability Office (“GAO”) reviewed Confucius Institutes around the United States and also reported incidents of concern regarding academic freedom.\textsuperscript{277} GAO investigators interviewed several school officials, researchers, and others who “expressed concerns that hosting a Confucius Institute could limit events or activities critical of China—including events at the Confucius Institute and elsewhere on campus.”\textsuperscript{278}

GAO then listed several case studies and examples, as quoted below:

\textsuperscript{271} Interview Records on file with the Subcommittee (Oct. 22, 2018).
\textsuperscript{272} Documents on file with the Subcommittee (July 26, 2018) (emphasis in original).
\textsuperscript{273} Id.
\textsuperscript{274} Interview Records on file with the Subcommittee (Feb. 22, 2019).
\textsuperscript{275} Documents on file with the Subcommittee (Apr. 17, 2018) (emphasis in original).
\textsuperscript{278} Id. at 23.
• Several researchers stated that a school with a Confucius Institute could choose to avoid hosting events on certain topics elsewhere on campus, such as Taiwan, governance of Tibet, or the Tiananmen Square protests, so as to not offend its Chinese partners or out of consideration for the terms of the agreement.\(^{279}\)

• One researcher referenced an incident at one school where the Confucius Institute Chinese director allegedly removed literature about Taiwan from another professor’s door.\(^{280}\)

• Another researcher cited a reported incident at an academic conference where a Hanban representative tried to remove information on Taiwan from the program provided to conference attendees.\(^{281}\)

• Several [U.S. school officials interviewed by GAO] expressed concern or uncertainty about whether a Confucius Institute would sponsor a research project or organize an event on a topic that could include criticism of China.\(^{282}\)

• According to an official at a school that closed its Confucius Institute, Hanban refused to fund a faculty research proposal in environmental studies as it did not align with Hanban’s vision of Confucius Institutes as an organizer and funder of Chinese cultural events, and Hanban wanted to limit institute activities to student events.\(^{283}\)

Other U.S. school administrators and American Confucius Institute directors told both the Subcommittee and GAO that they either had no concerns about academic freedom or undue Chinese influence or that they had taken some measures meant to address such concerns. In fact, most of the U.S. administrators interviewed by the Subcommittee stated that they did not have concerns about Confucius Institute operations at their institution.\(^{284}\) One U.S. official said she was “stunned by the criticisms” of Confucius Institutes when asked to respond to recent

\(^{279}\) Id.
\(^{280}\) Id.
\(^{281}\) Id.
\(^{282}\) Id.
\(^{283}\) Id.
\(^{284}\) Interview Records on file with the Subcommittee (Jan. 28, 2019, Jan. 29, 2019, Jan. 8, 2019, Nov. 13, 2018).
Another U.S. school official explained to the Subcommittee that having a Confucius Institute on campus was a “great experience.” That same official said she spoke with students and teachers and did not find any “political dogma.”

Several U.S. school administrators also indicated that the Dalai Lama visited their schools while they had a Confucius Institute. While the visits were not hosted by Confucius Institutes, according to those officials, Hanban did not object to the Dalai Lama’s visits. One U.S. school administrator told the Subcommittee that she was not aware of problems with academic freedom in the contract with Hanban or in practice during Confucius Institute operations.

GAO also reported similar findings. According to its review, “Officials at several case study schools also noted that the funding provided for Confucius Institutes was a small proportion of a larger budget related to Asian studies and/or Chinese languages, and as a result did not have the ability to exert undue influence.” GAO also reported, “Officials from multiple case study schools noted that U.S. school faculty members make all decisions regarding conference themes, guest speakers, and topics for events at their institute.” Finally, GAO wrote, “Officials at some case study schools offered examples of events and activities their Confucius Institute had sponsored that addressed topics that could be considered critical of China.”

2. Hanban Requested Confucius Institute Directors Provide Reports and Media Impact Analysis

According to documents reviewed by the Subcommittee, Hanban also requested that Confucius Institute directors provide detailed reports after events and at the end of the year. Those reports and self-assessments provided Hanban with detailed information about the operations, programming, and classes hosted by Confucius Institutes. For example, in one self-assessment reviewed by the Subcommittee, Hanban sought a substantial amount of information from the U.S. school.

285 Interview Records on file with the Subcommittee (Jan. 28, 2019).
286 Interview Records on file with the Subcommittee (Jan. 29, 2019).
287 Interview Records on file with the Subcommittee (Sept. 24, 2018).
288 Interview Records on file with the Subcommittee (Jan. 29, 2019, Jan. 28, 2019).
289 Interview Records on file with the Subcommittee (Jan. 25, 2019).
291 Id. at 23-24. (Those events, according to GAO, involved discussions of intellectual property in China and events on territorial disputes in the South China Sea.).
292 Documents on file with the Subcommittee (Nov. 14, 2018).
For these self-assessments, Hanban asked about the number of programs/classes, the number of enrolled students, the number of cultural festivals, performances, exhibitions, and seminars or lectures, among other items.\textsuperscript{293} Hanban then asked about “Community Engagement” by asking the Confucius Institute to “Please describe the extent to which you leverage resources within your local community to support your programs.”\textsuperscript{294} Under that heading, Hanban asked about the number of Confucius Classrooms and the number of students in “Affiliated Confucius Classrooms.”\textsuperscript{295} The questionnaire also asked the school to:

Please describe, in 100 words or less, your target audience: is it local, regional, national, global? If known, please generally describe your target audience’s demographics (e.g., urban v. rural; heritage speakers; English language learners, etc.).\textsuperscript{296}

Finally, Hanban asked about what it called “Sustainability.” Under that section, Hanban asked the Confucius Institute to provide information about the infrastructure and human resources.\textsuperscript{297}

More generally, Hanban also sought information from time to time concerning the activities of the year so far. In one case, in the middle of the year, a Hanban official simply wanted to know the number of courses or activities that the Chinese director started and also the number of students enrolled.\textsuperscript{298}

In some cases, Hanban was interested in knowing about the positive impact of an event on the local media. For example, one Hanban questionnaire wanted to “fully ascertain the effect” of the Confucius Institute’s programming.\textsuperscript{299} According to Hanban, the intention of the questionnaire was to “better fulfill the various needs of Confucius Institutes” and “increase the influence of the Confucius Institutes.”\textsuperscript{300} The questionnaire included a “Media Reports” section that listed certain categories, as quoted below:

- Considerable attention from local newspapers
- Consideration attention from local radio stations
- Consideration attention from local TV stations

\textsuperscript{293} Documents on file with the Subcommittee (Aug. 30, 2018).
\textsuperscript{294} Id.
\textsuperscript{295} Id.
\textsuperscript{296} Id.
\textsuperscript{297} Id.
\textsuperscript{298} Documents on file with the Subcommittee (Nov. 14, 2018).
\textsuperscript{299} Id.
\textsuperscript{300} Id.
• Consideration attention from local websites
• Not much media coverage
• A few negative reports

Hanban was not only concerned about a Confucius Institute’s positive media coverage, but was also interested in potentially negative media coverage. For example, in mid-2011, Hanban issued a directive via email to various Confucius Institute directors and instructors. According to an English translation of the directive, Hanban wrote:

Given the complexity of the current situation, it is recommended that all Chinese Confucius Institute directors or teachers should not accept media interviews without authorization. If necessary, it is important to report to Headquarters, and after receiving approval from Headquarters, interviews can be accepted.

Some Confucius Institute directors and instructors were also cognizant of the increased scrutiny facing their organizations. For example, in mid-2014, a Confucius Institute American director wrote in an email to Hanban that, “[P]eople who understand both cultures probably are the best ones” for giving Hanban advice. That director continued, “The importance of building a reputable image overseas that is suitable to other cultures will be the key to success in the long term.” A day later, the official wrote, “But [Confucius Institutes are] in a special stage, more [Confucius Institutes] may be close if no important actions are taken.”

Four years later, as news coverage of Confucius Institutes increased, one American Confucius Institute director attempted to organize other Confucius Institutes in an effort to increase collaboration. In February 2018, that director wrote:

With the current political climate and with many Congressman investigation [sic] I think this regional conference is important and we planned to have special session for how [the conference] can work together to better support the [Confucius Institute] public image.”

301 Id.
302 Documents on file with the Subcommittee (Aug. 30, 2018) (Translation provided to the Subcommittee).
303 Documents on file with the Subcommittee (Aug. 30, 2018).
304 Id.
305 Id.
306 Id.
Two days later, the same director wrote, “In this current political climate with many inquiries into our [Confucius Institutes] it is important for some of the discussions to be US driven and to have some actions [sic] plans for how to deal with the media and how to have [Confucius Institutes] work together.” At this point, in February 2018, the Subcommittee had not started its investigation, but at least one member of Congress had already sent letters requesting information from various Confucius Institutes around the United States.

V. CONFUCIUS CLASSROOMS

In addition to Confucius Institutes at post-secondary U.S. schools, Hanban also funds Confucius Classrooms in elementary, middle, and high schools around the globe. According to the 2017 Confucius Institute Annual Development Report, Hanban supports 1,113 Confucius Classrooms, 519 of which operate in the United States. Confucius Institutes can serve as intermediaries for Hanban to K–12 schools and provide funding for Confucius Classrooms in addition to teaching materials, resources, and in some cases, personnel to teach Chinese language and culture. Confucius Classrooms typically either work to advance a school’s existing Chinese program with additional funding and resources or assist schools seeking to start a Chinese language program. Consequently, Hanban can have an influential role in elementary and secondary school Chinese language curriculums.

A. The Growth of Confucius Classrooms

Similar to the Confucius Institute model, Hanban expanded Confucius Classrooms quickly, reaching large numbers of schoolchildren worldwide. By 2017, Hanban had established 1,113 Confucius Classrooms around the world.

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307 Id.
311 Confucius Institute at Western Michigan University, Confucius Classroom Celebrates Chinese Language and Culture Learning in Portage, Western Michigan University, (July 20, 2018), http://www.wmuconfucius.org/content/confucius-classroom-celebrates-chinese-language-and-culture-learning-portage; University of Kentucky International Center, Confucius Classroom, University of Kentucky, (January 15, 2019), http://international.uky.edu/ukci/k12/partners/confucius_classroom.
surpassing the number of Confucius Institutes. The chart below shows the worldwide growth of Confucius Classrooms.

This rapid growth can be attributed to both Hanban’s desires to expand the program and also the Confucius Classroom model itself. Hanban officials expressed a desire to rapidly expand Confucius Classrooms. Hanban’s Division of Development and Planning sought information as early as 2009 regarding Confucius Institutes “helping local schools to establish Confucius Classrooms.” A Hanban official solicited information from U.S. Confucius Institutes by asking staff to, “Please let us know a rough number of CCs that you are going to set up within 2009.” Madam Xu Lin, counselor of the State Council of China and member of the 12th National Committee of the Chinese People’s Political Consultative Conference, discussed establishing Confucius Classrooms in the United States at the 2008 Confucius Institute annual meeting. Furthermore, one Hanban official wrote a U.S. Confucius Institute Chinese director, “Developing more Confucius Classrooms is exactly what we have been trying to do. Please keep on working towards this. It will be very rewarding for our efforts.”

A separate Hanban email in 2009 sought information concerning Chinese language studies from Chinese directors at Confucius Institutes around the United States. The Hanban official wanted to know, as shown below, “How many K–12 schools in your states are now offering Chinese?”

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314 Id.
317 Id.
318 Id.
319 Id.
Later in 2011, Hanban held a U.S. Confucius Classroom Conference in San Francisco. A U.S. school provided minutes and records from that conference to the Subcommittee. According to those minutes, about 200 representatives from 150 operating Confucius Classrooms and 30 Confucius Institutes attended the conference. The minutes detail Hanban’s plan for expanding Confucius Classrooms throughout the United States. For example, the minutes state:

The participants agreed that, establishing CCs affiliated to CIs, is beneficial to building up the Chinese instruction pipeline through K–12 and universities and will help to optimize the integration of Chinese educational resources within the university, therefore, should be the most important way of developing CCs in the future.

The minutes then detail how Hanban planned to “integrate the CCs into the [United States’] official K–12 education” system:

First, to seek the top-down policy support from the state government, legislative and educational institutions, with a particular emphasis on access to the support from school district superintendents and principals; second, to seek the recognition and support from parents and local community, as well as to inspire local demand and enthusiasm for Chinese language and culture learning, through various cultural activities and display of achievements of classroom instruction; third, to integrate the instruction of Chinese language and culture into curriculum of major subjects teaching taught in U.S. K–12 schools, such as the ‘world culture’ and other courses; fourth, to create an effective

320 Documents on file with the Subcommittee (Aug. 30, 2018).
321 Id.
322 Id.
communication mechanism with the local teach unions and the education administrators, as to create good environment for the living, cultural orientation and professional development for both the guest and local Chinese teachers, as well as promote the sustainable development of the Confucius Classrooms.\(^\text{323}\)

Additionally, under the heading titled, “Developing the U.S. Confucius Classrooms in a rapid and effective way,” the minutes state “[g]iven the prosperous development of the Chinese language instruction in U.S. K−12 schools and the rising demand for Chinese learning, the conference suggested that, in the coming period, the established of Confucius Classrooms in the United States should be actively continued, under the premise of voluntary.”\(^\text{324}\) Finally, the minutes indicate that Hanban sought to “formulate the instruction standard” for all Confucius Classrooms. The minutes state:

In the meantime of accelerating the development, the CCs should also formulate the instruction standard and evaluation index system, strive to improve the quality through promoting Chinese language test, strengthening community links, recruiting qualified teaching personnel and other initiatives. The Headquarters will continue to foster the cooperation with the State Department of Education and local universities, as to widen the certification and professional development channels for the K−12 Chinese language teachers. Special attentions should be paid to support the exchange programs of students and teachers, which will help to stimulate the students’ enthusiasm for learning Chinese, and to enhance the students’ awareness and understanding of Chinese language, culture and society.”\(^\text{325}\)

The growth can also be attributed to the fact that a single Confucius Institute can have multiple active Confucius Classrooms that all depend upon it for assistance and mentorship.\(^\text{326}\) For instance, the University of Maryland publicly lists ten subordinate Confucius Classrooms operating in a mix of public and private schools around Maryland.\(^\text{327}\) Through Confucius Classrooms, some students have had the opportunity to attend Hanban summer camps in China and visit their Classroom’s Chinese partner school or university.\(^\text{328}\) Hanban provided pre-

\(^{323}\) Id.
\(^{324}\) Id.
\(^{325}\) Id.
\(^{327}\) Id.
\(^{328}\) See University of Texas at Dallas, Confucius Institute, Confucius Classroom Q&A (Jan. 15, 2019), https://www.utdallas.edu/ah/confucius/docs/Confucius-Classroom.pdf.
secondary school administrators with sponsored trips to China and educational exchanges with Chinese schools.329

B. Confucius Classroom Application Process

Hanban’s website states that schools wishing to have a Confucius Classroom must be an educational institution recognized and accredited by the country’s government, possess a demand from local citizens and students for learning Chinese language and culture in the locality of the institute, and have the capacity for providing Confucius Classrooms an appropriate working space, as well as personnel and support in funding.330 Pre-secondary schools seeking a Confucius Classroom engage with and will seek an agreement with a Confucius Institute based at a local school. Those pre-secondary schools must also seek Hanban’s approval to receive funds and open a Confucius Classroom or receive an instructor from Hanban.331

After receiving Hanban’s approval, the school signs an agreement with a host Confucius Institute.332 The standard agreement contains the Confucius Classroom’s scope of activities, such as operating Chinese teaching programs, training local Chinese language instructors, organizing exchange programs, and conducting Chinese language and culture activities.333 Similar to the contracts between Hanban and U.S. schools, some agreements between Confucius Institutes and K–12 schools establishing a Confucius Classroom are based on templates provided by Hanban that are not substantially altered. For example, one such agreement, shown below, relied on Hanban’s template agreement, and still listed uniform identifiers such as “[school name]” and “[country]” in the text with the applicable school names handwritten onto the signed contract: 334


331 Id.

332 Documents on file with Subcommittee (July 27, 2018).

333 Id.

334 Id.
Another agreement template published online calls the Classroom a “project” of the Confucius Institute and notes that the Confucius Institute will be “responsible for the management of the Confucius Classroom, including developing annual activity plans, budgets and final accounts for the Confucius Classroom and submitting to the Headquarters for approval.”

C. Confucius Classroom Operations

Confucius Institutes may assist in the management and operation of affiliated local Confucius Classrooms. This can involve developing annual work plans, budgets, and final accountings—all of which is sent to Hanban for approval before funding is allocated. While Hanban provides start-up funding for Confucius Classrooms, the pre-secondary school is expected to jointly contribute to the project fund as well. Unlike Confucius Institutes, however, Confucius Classrooms typically do not have Boards of Directors. The principal or vice principal is often responsible for overseeing the Confucius Classroom. Below are two examples of how Confucius Classrooms may be organized and operated in the United States.

First, while many of the Confucius Classroom agreements contain nearly identical language, some U.S. schools inserted provisions that grant them more autonomy from their Confucius Institute partner. For instance, one Confucius Classroom contract retained final authority as to which activities it wishes to undertake in its Confucius Classroom. The contract also asserts that the “Classroom will be wholly run and operated” by the local school and that the

335 Wayne State University, Confucius Institute, Confucius Classroom Grant Information (Jan. 15, 2019), http://www.clas.wayne.edu/ci/Confucius-Classrooms.
338 Documents on file with the Subcommittee (July 27, 2018).
339 Id.
340 Documents on file with the Subcommittee (July 19, 2018).
Confucius Classroom “retains authority over its business decisions.”\footnote{Id.} But such provisions are rare amidst the boilerplate language that makes up the majority of the contracts.

\textit{Second}, a Confucius Institute that is one of the largest recipients of funds from Hanban focuses almost solely on managing a large number of Confucius Classrooms.\footnote{Documents on file with the Subcommittee (Nov. 20, 2018).} That Confucius Institute, in effect, serves as a clearing house for Hanban’s Confucius Classrooms rather than as an on-campus center supplementing the U.S. school and community Chinese language and culture learning.\footnote{Interview Records on file with the Subcommittee (Jan. 7, 2018).} A U.S. school official working at that Confucius Institute informed the Subcommittee that the Confucius Classroom program started with 11 instructors from China and it now boasts 51 instructors spread across the state.\footnote{Id.} In fact, the U.S. school informed the Subcommittee that they place instructors in the language department the same way they place instructors at their affiliated K-12 Confucius Classrooms, essentially treating the Confucius Institute the same as any Confucius Classroom.\footnote{Id.}

\section*{VI. THE STATE DEPARTMENT’S VISA REVIEWS OF U.S. CONFUCIUS INSTITUTES}

The State Department conducts program field site reviews as a part of its regular monitoring activities of Exchange Visitor Program sponsors.\footnote{See Background Section.} The State Department also provides guidance to U.S. schools on how to ensure their exchange visitor programs—including those connected with Confucius Institutes—comply with visa regulations. As part of its reviews, since 2017, the State Department has issued four Letters of Concern detailing instances of inappropriate visa use by U.S. schools related to Confucius Institutes. This section details the State Department’s guidance, its field site reviews, and its four Letters of Concern all relating to Confucius Institutes at U.S. schools.

\subsection*{A. State Department Guidance Concerning Confucius Institutes}

In May 2012, the State Department issued “Guidance Directive 2012-06 Exchange Visitor Program - Confucius Institutes” to explain procedures for formalizing the visa status of Chinese language teachers in the United States.\footnote{U.S. State Dep’t, Bureau of Educational and Cultural Affairs, Guidance Directive 2012-06, \textit{Exchange Visitor Program – Confucius Institutes} (May 17, 2012, revised May 25, 2012).} Among other things, the State Department’s 2012 directive outlined the differences
between the Teacher and Research Scholar designations.\textsuperscript{348} It further stated that U.S. school sponsors whose J-1 Professor and Research Scholars were teaching in public and private K–12 should contact the State Department.\textsuperscript{349}

The Exchange Visitor Program categories have many distinctions.\textsuperscript{350} For example, the “Professor” category is reserved for “bona fide exchange visitor exchange programs, which offer foreign nationals the opportunity to engage in research, teaching, lecturing, observing, or consulting research institutions, corporate research facilities, museums, libraries, post-secondary accredited institutions, or similar types of institutions.”\textsuperscript{351} The “Teacher” category is reserved for “primary and secondary schools (K–12).”\textsuperscript{352}

The State Department indicated it would work with sponsors to ensure exchange visitors were sponsored in the proper category with the appropriately designated sponsor.\textsuperscript{353} The guidance also emphasized the importance of ensuring that the “site of activity for each exchange participant’s record” in the Student and Exchange Visitor Information System (“SEVIS”) so that each exchange visitor’s “record reflects the actual location where the participants are placed.”\textsuperscript{354} This included the exchange visitor’s initial placement, as well as any subsequent changes of location.\textsuperscript{355}

\textbf{B. State Department Field Site Reviews of Confucius Institutes}

In March 2017, State Department Bureau of Educational and Cultural Affairs ("ECA") officials conducting regular monitoring activities of a U.S. school’s Confucius Institute received information indicating that some exchange visitors may be inappropriately using their J-1 Research Scholar visa.\textsuperscript{356} Notably, however, the State Department does not collect information on the number of J-1 visas related to Confucius institutes or Hanban.\textsuperscript{357} Additionally, the field review revealed that nine J-1 Research Scholars were teaching at pre-school and secondary schools, a possible violation of the terms of their visas.\textsuperscript{358} Following this review, the State Department contacted similar U.S. school sponsors to confirm that other J-1

\begin{footnotesize}
\begin{itemize}
\item[348] \textit{Id.}
\item[349] \textit{Id.}
\item[350] \textit{Id.}
\item[351] \textit{Id.}
\item[352] \textit{Id.}
\item[353] \textit{Id.}
\item[354] \textit{Id.}
\item[355] \textit{Id.}
\item[356] See CDP-2018-00005-00069-72.
\item[357] CDP-2018-00005-00170.
\item[358] CDP-2018-00005-00069.
\end{itemize}
\end{footnotesize}
exchange visitors’ Confucius Institute activities are in accordance with federal regulations.\textsuperscript{359}

As a result of these concerns, ECA contacted additional schools in 2018 to confirm that J-1 exchange visitors’ Confucius Institute activities were in accordance with the exchange visitor category regulations. The State Department contacted U.S. schools hosting Confucius Institutes in Delaware, Colorado, Michigan, Ohio, Illinois, Georgia, Tennessee, Utah, and Virginia.\textsuperscript{360} During the visits, ECA staff discovered that some Confucius Institutes were unclear about the proper uses of visas for Confucius Institute exchange visitors and required clarification.\textsuperscript{361} As a result, the State Department conducted a field review at one additional U.S. school.\textsuperscript{362}

\textbf{C. The State Department Issued Four Letters of Concern to U.S. Schools’ Confucius Institutes}

Since 2017, the State Department’s Office of Private Sector Exchange Program Administration (“OPA”) issued four Letters of Concern as a record of its reviews of Confucius Institute exchange visitor programs.\textsuperscript{363} The Letters of Concern detail OPA’s observations and make recommendations to help the U.S. schools identify areas for program correction or improvement. In two cases, the State Department revoked visas for Confucius Institute exchange visitors, as detailed below.\textsuperscript{364}

\textit{First Letter of Concern.} On May 11, 2017, the State Department issued its Letter of Concern to a U.S. school that it deemed could be non-compliant with J-1 visa requirements. Specifically, the State Department found that Confucius Institute exchange visitors at the school were on J-1 Research Scholar visas, but were primarily teaching at pre-schools and secondary schools.\textsuperscript{365} The Letter of Concern states, “[The Confucius Institute exchange visitors] are sponsored as Research Scholars, however the primary activity of several [Confucius Institute exchange visitors] was not research, rather they were teaching students aged 3-17 at preschools and secondary schools.”\textsuperscript{366} In addition, those exchange visitors were often unaccompanied in the classroom, a situation that the State Department believed “could possibly put the health, safety, and welfare of students at risk.”\textsuperscript{367}

\textsuperscript{359} State Department production (Aug. 14, 2018).
\textsuperscript{360} Id.
\textsuperscript{361} Id.
\textsuperscript{362} State Department production (Feb. 7, 2019).
\textsuperscript{363} Id. State Department production (Aug. 14, 2018).
\textsuperscript{364} Id.
\textsuperscript{365} CDP-2018-00005-00155.
\textsuperscript{366} Id.
\textsuperscript{367} Id.
The State Department also found allegations of “fraudulent paperwork and coaching” prior to the review. According to the field site review, an anonymous individual told the State Department that the exchange visitors’ research topics “were devised by the [Confucius Institute] co-director ... as a deliberate attempt to deceive the [State] Department regarding the exchange visitors’ activities.” The State Department found additional evidence that the Confucius Institute’s Chinese co-director “conducted rehearsal interviews with the exchange visitors to practice discussing their research topics in advance of ECA’s review.”

After its review, the State Department revoked 13 J-1 visas in response to its findings, but allowed the school to maintain its authorization to sponsor J-1 visa holders. It also recommended that the school: Review its Confucius Institute research objectives; discuss its Confucius Institute activities in future reports to the department; review its Confucius Institute’s advertising material so that its activities are clear to exchange visitors, prospective exchange visitors, and host employers; and, finally, to take steps to ensure all exchange visitors are in the appropriate visa categories. School officials informed the Subcommittee that it no longer places exchange visitors in preschool or secondary schools and instituted a policy restricting all current exchange visitors from working off school property without permission from the school. The U.S. school also requires monthly reports from its exchange visitors on their research and other activities.

Second and Third Letters of Concern. On June 29, 2018, the State Department issued two separate Letters of Concern to two separate U.S. schools after finding that Confucius Institute exchange visitors with a J-1 Professor visa were performing duties inconsistent with the sponsors’ designation. Specifically, at both U.S. schools, the State Department found the Confucius Institute exchange visitors were performing administrative tasks and not teaching, lecturing, or consulting as required under the terms of the visa. The State Department recommended that both U.S. schools “ensure that the primary activity of exchange visitors sponsored under the Professor category is teaching, lecturing, observing, or consulting at post-secondary accredited academic institutions.” The first school changed the professor’s title, aligned the professor’s duties with the requirements of

368 CDP-2018-00005-00070.
369 Id.
370 Id.
373 Interview Records on file with the Subcommittee (Jan. 8, 2019).
374 Id.
their visa, and hired someone to perform the administrative tasks the professor was handling. The second school eliminated the position the professor was filling after the professor's tenure ended; the professor returned to China shortly after the school received the letter.

**Fourth Letter of Concern.** On August 22, 2018, the State Department issued its fourth Letter of Concern related to potential visa violations, describing how J-1 Research Scholars at another U.S. school were primarily teaching at K–12 schools in a Confucius Classroom. The State Department found that “Although the exchange visitors may be conducting research, it is also evident that they are teaching.” Additionally, as the lead American instructors at the K–12 schools did not speak Mandarin, the State Department wrote, “So even when a Lead Teacher is present in the classroom, he/she cannot evaluate the information the [Confucius Institute] exchange visitors are teaching to the minors and must temporarily place the students' learning experience completely in the hand of the [Confucius Institute] exchange visitors.” The State Department indicated that it thought “some Confucius Institutes may deliberately seek to circumvent the Teacher category because of its stricter qualifications, including the required minimum number of years of previous teaching experience and/or degrees in education or in an academic subject matter that the exchange visitor will teach.”

As such, the State Department required the U.S. school remove the researchers from their K–12 teaching positions; ensure that any researchers remaining in K–12 schools or local boards of education are performing research and not teaching; enhance its monitoring of all Confucius Institute exchange visitors to ensure that the activities they engage in are consistent with the requirements of their visa. Following its letter, the State Department prudentially revoked 19 visa and confirmed that the U.S. school had removed the exchange visitors from the K–12 classrooms and confirmed their departure from the United States.

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377 Interview Records on file with the Subcommittee (Feb. 7, 2019).
378 Id.
381 Id.
382 CDP-2018-00005-00563.
384 CDP-2018-00005-00562. Email from State Dep't, Legislative Affairs (Feb. 21, 2019).
D. The State Department’s 2019 Plans to Review U.S. Confucius Institutes

In 2019, the State Department plans to conduct a total of four reviews regarding Confucius Institutes and U.S. schools’ visas. According to the State Department, this is double the number of reviews it completed in 2018.

VII. DEPARTMENT OF EDUCATION REPORTS FAIL TO PROVIDE AN ACCURATE PICTURE OF CHINA’S SPENDING ON U.S. CONFUCIUS INSTITUTES

Spending data published by the Department of Education fails to provide an accurate or complete picture of China’s overall spending on Confucius Institutes in the United States. Federal law requires educational institutions that participate in Title IV student assistance programs to submit foreign financial disclosure reports to the Department of Education. Those reports must document all gifts and contracts in excess of $250,000 from any foreign source. The Subcommittee’s investigation demonstrates that nearly 70 percent of U.S. schools that received more than $250,000 from Hanban failed to properly report that information to the Department of Education. Foreign government spending on U.S. schools is effectively a black hole, as there is a lack of reporting detailing the various sources of foreign government funding.

The reports that U.S. schools did file provide an incomplete picture of Hanban’s overall spending in the United States. From January 2012 to June 2018, fifteen U.S. schools reported receiving $15,472,725 directly from Hanban. To get a more comprehensive understanding of Hanban’s spending in the United States, the Subcommittee requested financial records from 100 U.S. schools that have either had or have a Confucius Institute. According to those records, during that same time, Hanban directly contributed $113,428,509 to U.S. schools—more than seven times the amount U.S. schools actually reported. In total, since 2006,

385 Production from the State Department (Feb. 7, 2019). Interview with State Department officials (Feb. 11, 2019).
386 Id.
387 Title IV student assistance programs and provisions can provide federal financial aid to assist students in gaining access to and financing higher education. 20 U.S.C.A. § 1011f.
388 U.S. Dep’t of Education, Foreign Schools Gift and Contracts Report with Date Range 01/01/2012 to 06/30/2018, Presecondary Education Participation System 10/12/2018. [Hereinafter FOREIGN GIFT REPORT]. The FOREIGN GIFT REPORT only provide foreign gift reports from January 1, 2012 to June 30, 2018.
389 FOREIGN GIFT REPORT.
390 Documents on file with the Subcommittee.
Hanban contributed roughly $158,429,866 to U.S. schools to fund Confucius Institutes.\textsuperscript{391}

Moreover, this total is only a fraction of what Hanban spent administering the program globally. According to Hanban’s annual reports, it spent more than $2 billion worldwide over the lifespan of the Confucius Institute program from 2008 to 2016.\textsuperscript{392} Under current federal law, however, the U.S. government publishes very little information detailing China’s spending with U.S. schools.

A. Department of Education Reporting Requirements

Federal law requires all two-year and four-year post-secondary schools to report foreign sources of funding in excess of $250,000 per year.\textsuperscript{393} Those same schools must also disclose all contracts with or gifts from the same foreign source that, alone or combined, have a value of $250,000 or more within a calendar year.\textsuperscript{394} A foreign source, defined by the Department of Education, is a foreign government, including an agency of a foreign government; a legal entity created solely under the laws of a foreign state or states; an individual who is not a citizen or national of the United States; or an agent acting on behalf of a foreign source.\textsuperscript{395} A gift is considered any gift of money or property.\textsuperscript{396} A contract is any agreement for the

\textsuperscript{391} Id.
\textsuperscript{394} Id.
\textsuperscript{395} Id.
\textsuperscript{396} 20 U.S.C.A. § 1011f(h)(3).
“acquisition by purchase, lease, or barter of property or services for the direct benefit or use of either of the parties.”

A U.S. school—and “each campus of a multi-campus school”—must report this information if it:

- Is legally authorized to provide a program beyond the secondary level within a state.
- Provides a program that awards a bachelor’s degree or a more advanced degree, or provides at least a two-year program acceptable for full credit toward a bachelor’s degree.
- Is accredited by a nationally recognized accrediting agency.
- Is extended any federal financial aid (directly or indirectly through another entity or person) or receives support from the extension of any such federal assistance to the school’s subunits.

A U.S. school must report this information by January 31 or July 31—whichever is sooner—after the date of receipt of the gifts, date of the contract, or date of ownership or control. The January 31 report should cover the period July 1–December 31 of the previous year, and the July 31 report should cover January 1–June 30 of the same year.

If a school fails to comply with the requirements of this law in a timely manner, the Justice Department is authorized to initiate a civil action in federal district court to ensure compliance at the request of the Secretary of Education. Following a determination that a school knowingly or willfully failed to comply, a school must reimburse the U.S. government for the cost of obtaining compliance. The Justice Department told the Subcommittee that it had no records showing the Secretary of Education ever referred a case.

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400 Id. at 2-181.
401 Id.
402 Id.
403 Email from Dep’t of Justice, Attorney Adviser, Office of Legislative Affairs (Feb. 22, 2019).
In 2004, the last time the Department of Education issued any guidance on foreign gift reporting, the Department posted a letter to “remind[s] institutions of the statutory requirement that they report gifts received from or contracts entered into with foreign sources, and ownership or control of institutions by foreign entities.” Specifically, the guidance clarifies the appropriate steps a U.S. school must take when reporting figures. For example, the Department provided additional information on the conditions of reporting, contents of reports, and potential penalties if a school did not report gifts received. This letter also included a “Questions & Answers” section to provide details about the reporting requirements and the process developed by the Department to collect all relevant information.

B. U.S. Schools’ Reporting of Confucius Institute Gifts

The Department of Education publishes the foreign gift data it receives from universities in a spreadsheet it calls the “Foreign Gift and Contract Report.” This spreadsheet contains all the contracts and gifts reported to the Department of Education from January 1, 2012 to June 30, 2018. According to the available data, roughly 149 U.S. colleges reported over 18,388 separate foreign gifts or contracts during that time. Of those 18,388 individual reports over the same time period, approximately 1,297 indicate China as the “country of giftor.” And of those 1,297 reports attributable to China, fifteen U.S. institutions reported 90 separate gifts specifically linked to the “Confucius Institute Headquarters” or Hanban. Those 90 gifts attributed to Confucius Institutes from January 2012 through June 2018 totaled $15,472,725.

Some publicly available examples of Confucius Institute reporting include:

- The University of Illinois at Urbana-Champaign reported a $252,253 “monetary gift” from Hanban on April 4, 2016.
- Bryant University reported receiving $951,349 in “monetary gifts” from December 2001 to January 2017 from Hanban.

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405 Id.
406 FOREIGN GIFT REPORT.
407 Id.
408 Id.
409 Id.
410 Id.
411 Id.
412 Id.
- The University of New Hampshire reported a $264,280 “monetary gift” from Hanban on August 1, 2016.

- Emory University reported a $140,767 “contract” with Hanban on April 8, 2013. Emory also reported a $219,483 “contract” with Hanban on August 1, 2012.

- The George Washington University reported $1,388,744 in contracts with Hanban.

In the aggregate, however, the publicly reported figures submitted to the Department of Education only provide a fraction of China’s overall spending on Confucius Institutes. While U.S. schools reported gifts or contracts worth $15,472,725 from January 2012 to June 2018, Hanban is estimated to have spent approximately $113,428,509 in the United States during that same time period.\(^{413}\) The chart below shows the difference between the information reported by U.S. schools to the Department of Education and the actual total amount Hanban contributed to U.S. schools.\(^{414}\)

The discrepancies between the amounts reported by U.S. schools and the amount Hanban actually gave them is attributable to both the $250,000 threshold and U.S. schools’ failure to properly report. The Subcommittee found that over half of Hanban’s annual payments since 2012 were under the $250,000 reporting requirement threshold.\(^{415}\) As such, these schools are not currently obligated to report any funds received for a given year to the U.S. government. The more

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\(^{413}\) See FOREIGN GIFT REPORT.

\(^{414}\) Documents on file with the Subcommittee. FOREIGN GIFT REPORT.

\(^{415}\) Documents on file with the Subcommittee.
concerning issue, however, as detailed below, is that 69 percent of U.S. schools failed to properly report information to the Department of Education as required.

C. U.S. Schools Failed to Properly Report Confucius Institute Gifts to the Department of Education

U.S. schools routinely failed to report Confucius Institute funding to the Department of Education as required by law. According to information reviewed by the Subcommittee, 33 of 48—69 percent—of U.S. schools required to file reports with the Department of Education failed to report Hanban gifts, contracts, or contributions in excess of $250,000. From 2012 to 2018, U.S. schools should have reported $51,526,181 to the Department of Education. But according to the Department of Education Foreign Schools Gift and Contract Report, U.S. schools failed to report $36,089,456 that they were required to by law.

The Subcommittee also learned that some U.S. schools failed to report gifts made by Hanban and other foreign donors when they were made to the schools’ Confucius Institute non-profit foundation and endowment. Below are three examples of U.S. schools failing to report, what they failed to report, and the reasons for their failure. In all three cases, the schools told the Subcommittee they plan to refile correct reports.

First, one U.S. school improperly reported funds received from Hanban over the past several years. This school received more than $400,000 in 2014 and $1,000,000 in 2015, but failed to report either contribution. School officials later informed the Subcommittee that it did not have a designated office to file foreign gift reports and that it was in fact not aware of the reporting requirements. Those officials informed the Subcommittee that it intends to submit filings to the Department of Education reporting Hanban’s gifts and contracts.

Second, another U.S. school did report receiving more than $1.1 million from Hanban, but the school received more than $1.5 million from Hanban. In an interview with the Subcommittee, school officials explained that the school’s financial aid office and the Department of Education had differing interpretations of a “contract” and an “agreement.” The officials indicated that it was an accounting

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416 Id.
417 Id. The U.S. Department of Education does not keep electronic records before January 2012. Email from Legislative Affairs Specialist, U.S. Department of Education (Jan. 9, 2019).
418 Id. FOREIGN GIFT REPORT.
419 Documents on file with the Subcommittee (July 27, 2018).
420 Interview Records on file with the Subcommittee (Nov. 13, 2018).
421 Id.
422 Interview Records on file with the Subcommittee (Nov. 6, 2018).
issue that characterized their relationship with the Confucius Institute as an “agreement” rather than a “contract,” creating discrepancies in what funds needed to be reported.423 Those officials also informed the Subcommittee that they recently performed an audit of these contracts and submitted updated information to the Department of Education.424

Third, according to the Department of Education’s records, a third U.S. school filed one foreign funding report noting that the Confucius Institute supplied a contract worth more than $500,000.425 Documents reviewed by the Subcommittee, however, indicate several annual gifts or contracts in excess of the $250,000 reporting threshold, as shown below.426 Those officials subsequently explained to the Subcommittee that the school incorrectly reported the amount of foreign gifts to the Department of Education and that it would file an amended report.427 The third U.S. school also failed to properly report Hanban contributions to the school’s foundation. Hanban contributed $280,297 in 2016 and $270,079 in 2017 to the U.S. school’s foundation fund.428 The Department of Education, however, told the Subcommittee that contributions made by a foreign entity to a foundation controlled by the school must still be reported.429

D. Hanban Spent More than $2 Billion on Confucius Institutes Worldwide

Hanban’s own reports do provide some spending data on Confucius Institutes and Classrooms worldwide. Hanban publishes an annual report that details the total international spending for Confucius Institutes around the world. Though these reports lack granular spending data on specific Institutes or Classrooms and their locations, they do provide a more complete picture of Hanban’s overall budget. While not segmented by country, their annual reports include information on salaries and housing costs for Confucius Institute instructors and directors that are typically not captured in Hanban’s gifts directly to schools.

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Hanban Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$120,018,000</td>
</tr>
<tr>
<td>2009</td>
<td>$179,816,000</td>
</tr>
<tr>
<td>2010</td>
<td>$137,761,000</td>
</tr>
<tr>
<td>2011</td>
<td>$164,103,000</td>
</tr>
</tbody>
</table>

423 Id.
424 Id.
425 Id.
427 Id.
428 Documents on file with the Subcommittee (Oct. 3, 2018).
429 Email from Legislative Affairs Specialist, U.S. Dep’t of Education (Oct. 16, 2018).
<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$196,330,000</td>
</tr>
<tr>
<td>2013</td>
<td>$291,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>$300,000,000</td>
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<td>$310,854,000</td>
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<td>2016</td>
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</tr>
<tr>
<td>2018</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,001,634,000</td>
</tr>
</tbody>
</table>

As shown above, according to these annual reports, Hanban spent over $2 billion on Confucius Institutes worldwide. Hanban did not publish spending data for 2017 and 2018.430

VIII. CHINESE INTERFERENCE WITH U.S. SCHOOLS IN CHINA

While China plays a role in Chinese language and cultural education in the United States through its Confucius Institutes and Confucius Classrooms, it routinely and systematically works to thwart efforts by the U.S. State Department and U.S. schools to promote American culture in China. Chinese pressure has been particularly effective in prohibiting the successful administration of the U.S. State Department’s American Cultural Center (“ACC”) program. In 2010, the State Department provided funding for a network of ACCs that aimed to provide community spaces on Chinese campuses for “interactions that enable Chinese audiences to better understand the United States, its culture, society, government, language, law, economic system, and values.”431 The ACC program was hindered from the start—7 of 29 ACCs never opened despite receiving funding and the State Department stopped funding the program altogether in 2018.

Chinese interference extends beyond the obstruction of the ACC program. The Chinese government, including individuals from the Ministry of Education and local provincial government officials, routinely restricted the movement of U.S. diplomats seeking to attend and speak at conferences and public events. China has even prevented U.S. diplomats from visiting ACCs. Chinese interference resulted in the cancellation of several significant public diplomacy conferences and events outright, often just days before an event was to take place. The State Department documented at least 80 examples of Chinese interference in American public diplomacy efforts from January 2016 to the date of this report.432 Put simply, as the State Department stated in an internal memo, “Our American Cultural Centers do

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430 Hanban Annual Reports. Hanban did not publish spending data for 2017 or 2018.
not enjoy reciprocal access at universities in China.”433 One of the most significant reports of interference, detailed further in this section, resulted in the detention and questioning of an American citizen by Chinese police.

A. Chinese Obstructionism Led the State Department to Create the ACC Program in China

The State Department initially launched the ACC program to counter China’s efforts to block the expansion of a similarly named but different program called “American Spaces.” In 2010, American Spaces were the largest and most formal public diplomacy platforms outside the United States—“often stand-alone facilities, which combine a library, Internet stations, meeting spaces and often English language classrooms.”434 By 2011, China had established more than 71 Confucius Institutes in the United States, while at the same time, prevented the State Department from opening more than five American Spaces in China outside of the U.S. embassy or consulates.435 At that time, the five American Spaces were located in Beijing, Chengdu, Guangzhou, Shenyang, and Shanghai.436 According to a 2011 U.S. Senate Committee on Foreign Relations Minority Staff Report, “The Chinese government has been resistant to any further opening of U.S. public diplomacy facilities, claiming that each country has six diplomatic facilities in the other’s country and that this is a matter of strict reciprocity.”437

Gary Locke, at his nomination hearing to be U.S. ambassador to China, indicated that he shared the Committee’s concerns involving “the obstacles [State] faced in establishing [American Spaces] in China.”438 He also admitted that those barriers “effectively prevented” the expansion of public diplomacy efforts in China.439

In an attempt to find alternatives to Chinese disruption of American Spaces, the State Department launched the ACC program. ACCs, as the State Department detailed in a submission to the U.S. Senate Foreign Relations Committee in 2010, were the next choice:

435 Id.
436 Id.
437 Id. at 8.
439 Id.
There are, however, alternative methods of creating places for Chinese audiences to learn about the United States and several options are being vigorously pursued. Recently, a number of U.S. universities such as Arizona State University, New York University, and University of Southern California, have entered into partnerships with Chinese universities to establish university-sponsored American Cultural Centers on Chinese campuses. This is an encouraging trend. The Department hopes to see the establishment of additional American Cultural Centers in China.440

In order to “vigorously pursue” the expansion of the ACC program, the State Department needed to solicit funding applications from U.S. colleges and universities. The 2011 Request for Application (“RFA”)—the State Department’s formal document soliciting applications—stated that the “U.S.-China relationship is one of the United States’ most important bilateral relationships.”441 The RFA continued, “A great deal of work remains to be done in fostering mutual understanding between the peoples of the two nations. The Chinese government’s creation in the United States of multiple university-based ‘Confucius Institutes’ has increased the level and quality of the study of Chinese language and culture in the U.S.”442 The State Department then sought out American colleges willing to open an ACC.

The typical ACC grant provided a one-time award of $100,000, after which the grantees could request supplementary funds.443 Since the program’s origination in 2010, the State Department disbursed $5.1 million in grants to support 29 ACCs between U.S. educational institutions and Chinese universities.444

In comparison, since 2006, China spent more than $158 million on Confucius Institutes located in the United States.445 As of this report, there are roughly 100 U.S. Confucius Institutes—the State Department, on the other hand, stopped funding ACCs in China.446 In October 2018, the State Department ceased all ACC

440 Id.
442 Id.
443 Id.
445 See Section VI. Spending Data Published by the Department of Education Fails to Provide Accurate Confucius Institutes Spending.
446 Peterson Report at 24.
funding while it undertook a review of the effectiveness of the program.\textsuperscript{447} The chart on the next page shows the disparity between the number of Chinese government-funded Confucius Institutes in the United States and the number of State Department-funded ACCs in China.\textsuperscript{448}

\begin{figure}[h]
\centering
\includegraphics[width=0.5\textwidth]{chart.png}
\caption{ACCs vs. Confucius Institutes}
\end{figure}

\textbf{B. The State Department Does Not Exert the Same Control over American Cultural Centers as the Chinese Government Exerts over Confucius Institutes}

There are two material differences between Confucius Institutes and ACCs. These differences are important as the State Department lacks the level of control Hanban wields over its Confucius Institutes. ACC grants were typically one-time awards to get the ACC off the ground and fund the renovation of a room or space on a Chinese school campus.\textsuperscript{449} Hanban, on the other hand, provides fee-for-service and annual funding for Confucius Institutes. After the grant period ended, U.S. schools were no longer required to submit progress or status reports to the State Department.\textsuperscript{450}

The State Department also took a “hands off” approach with programming at ACCs and did not significantly control the direction of events or speakers.\textsuperscript{451} According to Lisa Heller, the Senior Cultural Affairs and later the Public Affairs

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\textsuperscript{447} Briefing with Lisa Heller, U.S. State Dep’t, Director of the Office of Public Diplomacy, Bureau of East Asian and Pacific Affairs (Sept. 13, 2018) [hereinafter Heller Interview (Sept. 13, 2018)].
\textsuperscript{449} Heller Interview (Sept. 13, 2018).
\textsuperscript{450} Id.
\textsuperscript{451} Id.
\end{footnotesize}
Officer in Beijing from 2012-2016, Confucius Institutes and ACCs were materially different. For example, unlike Hanban and the Confucius Institutes, the State Department did not pay the salaries of the visiting professors, did not vet or approve the professors, and, importantly, did not approve the ACC programming. Moreover, in contrast to Hanban, the State Department did not prohibit certain topics or issues for discussion. Finally, the State Department did not routinely purchase textbooks, materials, or videos for ACCs. Those items and other teaching materials were usually purchased directly by the U.S. school.

C. Despite Receiving Funding, Seven American Cultural Centers Never Opened

Despite receiving hundreds of thousands of dollars from the State Department, at least seven ACCs sponsored by U.S. schools were unable to ever open due to Chinese interference. This section examines three U.S. schools that received the grant funding, but were unable to open due to intentional delays and local government pressure. The map on the following page shows the locations of the ACCs that were supposed to have opened and never did (red dots) and also the now-closed ACCs (yellow dots).

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452 Id.
453 Id.
454 Id.
455 Id.
First, the State Department notified a U.S. school that it was selected for the ACC grant in 2014. The U.S. school planned to spend the $99,999 it received to promote American films and music at its partner school in China. The initial efforts to negotiate the terms of the arrangement between the schools were successful—the Chinese school even reserved a space in a prominent campus building and arranged a signing ceremony. It became clear, however, that China’s Ministry of Education put forth insurmountable roadblocks that ultimately killed the arrangement altogether.

While several Chinese school officials were on their way to the United States, in part to sign the agreement, the U.S. school received an urgent message from Chinese school officials with proposed revisions to the agreement. Those U.S. schools officials scrambled over the weekend to work out an agreement and preserve the signing ceremony, but identified major concerns with the Chinese school’s proposals. Among the concerns the official had were there was a restriction that the ACC could only provide “Chinese appropriate material,” there was a lack of certainty regarding U.S. Embassy access to the ACC, and there was a requirement that the final agreement be approved by China’s Ministry of Education.

Eventually, Chinese school officials told U.S. school officials that it was no longer interested in hosting the ACC. One Chinese school official wrote, “Presently, we have quite a few centers at our university. Truth be told, it is a little disappointing that some centers haven’t made progress in joint research or student education.” That same official concluded the email, “[the Chinese school] doesn’t see there is a need of setting up another center at this point of time.” At least one U.S. school official, however, believed China’s Ministry of Education told the partner school not to proceed with the contract. This official wrote in an email to his colleagues, “This is a typical Chinese political euphemism. Obviously, [the Chinese school] was instructed by [the Ministry of Education] not to proceed with our proposal.” As a result, the U.S. school did not spend any of the grant funding and returned it all to the State Department in 2015.

Second, the State Department awarded a U.S. school $99,717 in mid-2014. Despite the U.S. school’s best efforts, including a faculty trip to China, the
university was not able to open an ACC on its Chinese partner school’s campus.\textsuperscript{465} According to university officials, Chinese interference started almost immediately.\textsuperscript{466} For example, after the State Department awarded the grant, two university faculty members traveled to China with “the intent of finalizing the plans for setting up the American Cultural Center.”\textsuperscript{467} At the first joint planning meeting, Chinese school officials informed them “that the Center would have to be put ‘on hold.’ They gave no explanation.”\textsuperscript{468} Chinese school officials also “disinvited the local Department of State delegation to this meeting.”\textsuperscript{469}

After months without any significant progress, U.S. school officials “made numerous attempts to contact [the Chinese school] regarding the ACC. Any inquiries we made as to when we could possibly start the Center were met with ‘It is still on hold.’”\textsuperscript{470} The final status report submitted by the university to the State Department described the final shutdown of the ACC efforts:

The dismaying news that the plans had been scuttled, then, was delivered to us at the very last minute. It seems that miscommunications between officials at [the Chinese school] and the provincial government had led to the delays and finally to the decision to withdraw their invitation to us to locate an ACC on their campus.\textsuperscript{471}

The U.S. school’s then-department chair involved with this grant explained to the Subcommittee that after all of the delays, it was clear the ACC was never going to work.\textsuperscript{472} That same official told the Subcommittee that “the bottom line is that it was politics.”\textsuperscript{473} Eventually, the U.S. school simply stopped trying to open the ACC and eventually returned the unused funds to the State Department.\textsuperscript{474}

\textit{Third}, in 2014, the State Department awarded the U.S. school $100,000 to open an ACC on Chinese school’s campus in northeast China. According to U.S. school officials, there were difficulties from the start in trying to open and establish the ACC.\textsuperscript{475} For example, Chinese school officials did not provide timely responses and there was a lack of communication between the two schools. After months of

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{465} Interview Records on file with the Subcommittee (Aug. 29, 2018).
\item \textsuperscript{466} Id.
\item \textsuperscript{467} Documents on file with the Subcommittee (Sept. 17, 2018).
\item \textsuperscript{468} Id.
\item \textsuperscript{469} Id.
\item \textsuperscript{470} Id.
\item \textsuperscript{471} Id.
\item \textsuperscript{472} Interview Records on file with the Subcommittee (Sept. 4, 2018).
\item \textsuperscript{473} Id.
\item \textsuperscript{474} Id.
\item \textsuperscript{475} Id.
\end{itemize}
\end{footnotesize}
negotiation and delays, U.S. school officials simply made the determination that the project was not going to move forward.476

Those same officials speculated that something political was going on behind the scenes and that the Chinese school officials “got cold feet,” suddenly no longer feeling comfortable with establishing the ACC on campus.477 U.S. school officials reported that the U.S. and Chinese schools had a great relationship both before and after the failure to launch the ACC.478 The only program between the two schools that was unable to get off the ground was the ACC program—which coincidentally was also the only program that included funding from the U.S. government.479

D. The State Department Stopped Funding All American Cultural Centers

Some American colleges and universities were able to launch their respective ACCs and conduct programming for several years. The programming, however, was limited to cultural activities with a focus on the arts. And, even under those limits, the American colleges even had difficulty getting approval for benign events such as hosting a jazz band. In many cases, the Chinese university would simply delay approving a proposed event or speaker without ever giving official justification or rationale. In at least one case detailed to the Subcommittee, the approval of the local Chinese communist party was needed before cultural events could take place on a Chinese campus. This section details the obstruction and interference of three ACCs after opening.

First, a U.S. school used its $100,000 grant from the State Department to create an ACC at its Chinese partner school, with which it has had a 30-year relationship. The ACC, housed at the foreign language building, included a lounge, kitchen, and resource library, complete with a large selection of American cookbooks.480 There were complications in getting permission to approve events and speakers for the several years the U.S. school sponsored the ACC in China.481 For example, the Chinese school turned down the opportunity to host a gathering of Directors from all ACCs and representatives from international offices of participating universities. According to a status report submitted to the State Department, “This would have been a great opportunity to showcase the longstanding partnership between [the U.S. and Chinese schools], as well as the

476 Id.
477 Id.
478 Id.
479 Id.
481 Id.
progress on the ACC space. However, we were told getting permission from the Chinese government in a timely fashion [ ] was not possible.”

In addition to approval complications, one particular program was cancelled entirely. In 2015, the U.S. school planned to host a one-man show about the life and times of Muhammad Ali. The Chinese school did not grant permission and the event did not happen. A U.S. school official responsible for the ACC grant wrote to the State Department, “It was disappointing that [the Chinese school] could not host us but totally understandable. It is a nuanced political climate we operate in and I will reach out to them one more time in case they can host us.” Finally, according to a U.S. school official who worked directly on the ACC grant, the programs were successful, but officials were careful not to “promote American culture too much.” That same official indicated they could never do a program on Tibet or Taiwan as they wouldn’t even think of proposing something like that.

Second, the State Department awarded a different U.S. school $98,661 in 2016 to open an ACC at its Chinese partner school. This U.S. school also had a Confucius Institute at its U.S. campus. According to U.S. administrators, the U.S. constructed its ACC in a large room on campus. A plaque outside the ACC read, “The Sino-American Cultural Exchange Center.” The U.S. school planned to film various lectures in the United States and then show those lectures to students at the ACC. The lecture series “focused on problems and challenges in American society,” including “capitalism in the United States,” “gun control and gun rights,” and finally “issues relating to gender and sexuality.” Additional lectures that were planned but never filmed included topics on globalization and health care. While most of the lectures were filmed, they were never shown on the Chinese partner’s campus as the school never gave permission.

The U.S. school also had difficulty arranging visits from the U.S. embassy staff, including Ambassador Terry Branstad, to the ACC. In 2018, U.S. school officials told the State Department, “The most significant issue we are facing at this time is the inability to arrange a successful visit to the Sino-American Cultural

482 Documents on file with the Subcommittee (Oct. 2, 2018).
483 Id.
485 Id.
487 Interview Records on file with the Subcommittee (Oct. 31, 2018).
488 Interview Records on file with the Subcommittee (Oct. 31, 2018).
489 Id.
490 Documents on file with the Subcommittee (Oct. 29, 2018).
491 Interview Records on file with the Subcommittee (Oct. 31, 2018).
492 Id.
493 Id.
Exchange Center for U.S. Embassy staff. We have received conflicting information from our partner regarding the status of the space allocated for the Center."^{494} When Ambassador Branstad tried to visit the ACC, the U.S. school was not able to secure the proper permission and nearly shut down the ACC altogether. China’s Ministry of Education even questioned the Chinese partner school’s officials and indicated that they did not follow proper procedures as the ACC was funded by the U.S. government.^{495} U.S. school officials further described the trouble with the ACC in a May 2018 email to the State Department:

[The Chinese school] will have to keep the center quiet for a period of time and remove the plaque from the center temporarily. Therefore, the backup plan I discussed with them is to keep the center [functioning] as a resource room with all the lectures and books we provided available for students and faculty there. However, this will also not be done right away in order to avoid unnecessary attention at this sensitive time period.^{496}

A State Department official replied back, “Since it appears that [the Chinese school] is putting the center on hiatus until this ‘sensitive time’ concludes, we would like to hold further disbursements pending a reopening of the space as well as a realistic grant monitoring plan.”^{497} As of this report, the ACC remained closed.

Third, a different U.S. school obtained an ACC grant from the State Department in 2011.^{498} The U.S. school successfully established the ACC as part of the on-going affiliation with its Chinese partner school.^{499} For several years, the ACC sponsored fruitful events, hosting a range of speakers, musicians, and other cultural activities.^{500} All that changed, however, in late 2015, when the Chinese police interrogated a U.S. school’s dean about her involvement with the ACC and the U.S. State Department.^{501}

The dean joined the U.S. school in 2012 and was dean of the Chinese campus and executive director for the school’s programs throughout China.^{502} The dean told the Subcommittee that while her program was able to accomplish a lot with the State Department grant, it was difficult to get approval for certain events and

^{494} Documents on file with the Subcommittee (Oct. 29, 2018).
^{495} Id.
^{496} CDP-2018-00005-00055.
^{497} CDP-2018-00005-00054.
^{498} CDP-2018-00005-00274.
^{499} Id.
^{500} Interview Records on file with the Subcommittee (Oct. 16, 2018).
^{501} Id.
^{502} Id.
activities. She indicated that the Chinese school’s approval process was difficult to navigate and that it even stopped certain programming because permission took so long to obtain. Members of the local Chinese Communist Party also participated in the approval process. For example, the dean said that there was a weekly planning meeting with U.S. school, the Chinese school, and the “party chair” assigned to the Chinese school.

In fall of 2015, more than four years after launching the ACC, the dean was at her home in China when she received an urgent phone call from a Chinese school official instructing her to come to an administration building on campus right away. According to the dean, she arrived at the administration building and was led into a small conference room where she was greeted by four uniformed Chinese police officials. The police officials had placed their badges on the table for the dean to see when she entered the room. One of the police officials instructed the dean’s administrative assistant and translator to leave the room, but she objected. After several minutes of debate, the police officials let the administrative assistant stay in the room to translate the questioning.

The police officials then proceeded to ask the dean a series of questions concerning both her personal and her U.S. school’s involvement with the ACC program. The questions focused on funding, paperwork, administrative hierarchy, and any involvement of the State Department. The dean said this all caught her off guard, as the meeting and questioning were unexpected. She also told the Subcommittee that before she went into the room, she sent a concerned text to her husband explaining that she was going to answer questions from the police. Towards the end of the meeting, the police officials asked for specific answers to a series of questions. The police told her that they would follow-up soon and instructed her not to discuss the meeting with anyone.

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503 Id.
504 Id.
505 Id.
506 Id.
507 Id.
508 Id.
509 Id.
510 Id.
511 Id.
512 Id.
513 Id.
514 Id.
515 Id.
516 Id.
517 Id.
After the interrogation, the dean sent an email to U.S. school officials asking for paperwork, funding requests, and other answers to the police officials’ questions. Roughly a week after the first meeting, the police returned and demanded to see her correspondence with her U.S. school to ensure that she actually did follow-up on their requests. The dean told the Subcommittee that she later told an American colleague also working in China about her experience. Her colleague was not surprised about the questioning as the police routinely interrogate American officials in this manner. Now, the colleague concluded, she was just “part of the club.”

E. The State Department Inspector General Found that the American Cultural Center Program was “Largely Ineffective” in its Mission Due to Chinese Interference

In December 2017, the State Department Inspector General (“IG”) found that “Mission China’s American Cultural Center program is largely ineffective in achieving its stated goal of promoting a greater understanding of U.S. culture and policies through outreach to Chinese students and the general public.” The IG report covered a wide range of public diplomacy issues the embassy encountered and specifically identified Chinese interference and obstruction as a limiting factor when determining the ACC program’s effectiveness.

For example, the State Department’s grant or funding evaluation process cites the importance of being able to monitor or track the grant’s success through visitations or other on-site assessments. The IG found, “In an environment where access to university campuses and officials is subject to host government approval, mission personnel consistently reported difficulty visiting these centers, whose activities or even existence in some cases could not be verified.” As a result of the restrictions on visiting the ACCs, the IG continued, “mission personnel were often unable to monitor progress towards a grant’s goals and objectives” as required by State Department policy.

The State Department responded to the IG’s report stating that it “does not agree that the American Cultural Center program has been ‘largely ineffective’ ...

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518 Id.
519 Id.
520 Id.
521 Id.
522 Id.
524 Id.
525 Id. (emphasis added).
but agrees that there are concerns related to the stability of specific Centers due to active interference by the Chinese government as well as limitations in visiting individual centers.” 526 Notwithstanding that comment, the State Department did not fund any new cultural centers and will base additional funding of cultural centers in FY 2018 on the results of a more formal evaluation of the program.527

F. The State Department Documented More than 80 Instances of Chinese Interference with Public Diplomacy Projects

As Chinese interference increased over the last several years, the State Department started keeping detailed records. These records detail more than 80 specific instances of Chinese government interference with American public diplomacy efforts throughout China. While the types of interference and obstruction varied, there were two main types of interference reported by the State Department in internal reports reviewed by the Subcommittee and in interviews with Subcommittee staff. First, Chinese officials actively prevented U.S. diplomats and other embassy officials from being able to visit ACCs or other educational programs sponsored by the U.S. government. Second, Chinese officials routinely cancelled events that were either hosted by, or involved the participation of, the U.S. embassy in Beijing.

China’s actions appear to contradict the important diplomatic principle of reciprocity that is recognized in international tradition and law. Generally, reciprocity involves one state offering the citizens of another state certain privileges on the condition that its citizens enjoy similar privileges in the other state.528 In the spirit of this tradition, the U.S. government does not systematically and routinely deny Chinese diplomats travel or shutdown public diplomacy events. In short, given the well-established diplomatic norm of reciprocity, U.S. diplomats should be allowed to travel or attend events in China the same way Chinese diplomats are free to do so in the United States.

1. Chinese Officials Prevented U.S. Diplomats from Visiting American Cultural Centers and Attending Other Public Diplomacy Events in China

Over the last several years, China routinely prevented U.S. diplomats from visiting ACCs and attending other public diplomacy events that focused on cultural

526 Id. at 36.
527 Id. at 25.
exchanges. Limiting access to facilities funded in whole or in part by the United States prevents the State Department from determining the effectiveness of its programs. The State Department IG also cited the fact that the embassy staff was “unable to monitor” the success of the grant as one reason that the program as a whole was ineffective.\textsuperscript{529} Chinese authorities failed to provide adequate reasons for the denied visits in more than 12 of the examples the State Department recorded. Detailed below are examples taken from internal State Department documents and interviews with State Department officials and U.S. educational administrators of specific instances of interference over the past several years.

- In March 2018, a Chinese Foreign Affairs Officer (“FAO”) refused to allow a State Department official to visit an ACC. The FAO told the State Department that the particular ACC was “no longer in existence.” The State Department checked with the American director of the ACC who indicated that the center was still active and that “lectures and other programs that are scheduled under the terms of the grant and their proposal are proceeding without difficulty.” Even though the State Department official indicated that he had “an obligation to visit as part of our grant monitoring responsibilities,” the visit was never arranged.\textsuperscript{530}

- In April 2018, a State Department official was not permitted to attend a workshop at a Chinese school. According to the State Department, the only explanation was that the week before the school’s hosting the ACC shut down its Confucius Institute in the United States.\textsuperscript{531}

- In October 2017, a State Department official was scheduled to meet with an ACC’s American director. When the American director brought the official to the ACC, the night staff “claimed not to have the keys.” After several calls and the appearance of higher ranking school officials, “the keys were ‘discovered’ on the night watchman’s key ring.”\textsuperscript{532}

- In April 2018, a Chinese school representative wrote that it was “too late to get the approval from the Chinese government for [U.S. government staff] to attend the opening [of an ACC].” The U.S. request was made more than one month before the opening event. The same Chinese school representative stated that, “[The Chinese school] thinks it is

\textsuperscript{530} CDP-2018-00005-00059.
\textsuperscript{531} CDP-2018-00005-00019.
\textsuperscript{532} CDP-2018-00005-00025.
better to fly under the radar given the current relationship between the two countries.”

- In January 2018, Chinese school officials prohibited U.S. representatives from attending a film screening on a U.S. president at an ACC. A few days before the screening, the Chinese school officials informed the State Department that they would not be able to attend the viewings and “cited a rule prohibiting U.S. government officials from accessing university campuses” to show films or conduct lectures/presentations.

- In December 2017, the Chinese director of an ACC invited U.S. officials to serve as judges for a cultural knowledge competition, but the next day disinvited the officials.

- In May 2016, a new ACC opened, but was not able to operate effectively or collaborate with the U.S. Consulate. Following the opening ceremony, the Chinese school hosting the ACC was told that they must file a formal request with a party official if any U.S. State Department wanted to visit the school.

2. **Chinese Universities Regularly Cancelled Events After Granting Approval**

   Over the past several years, the State Department was forced to cancel dozens of events, speakers, and other activities after obtaining approval and undertaking significant preparations. Detailed below are examples taken from internal State Department documents and interviews with State Department officials and U.S. educational administrators of events or activities cancelled in the days or weeks leading up to them.

- In May 2017, a Chinese school did not allow a Fulbright Alumni Conference to take place on the school campus. The State Department then planned to hold the conference at a local hotel. Three days before the event, the hotel informed the State Department that another event was planned for the same time, so it needed to cancel. Upon further inquiry, the hotel staff admitted that they were told not to allow the conference. So, just two days prior to the conference, the State

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533 CDP-2018-00005-00047.
535 CDP-2018-00005-00022
Department moved the conference to a private museum and received permission. The night before the conference, while the State Department was still arranging furniture at the venue, the museum cancelled the event.\textsuperscript{537}

- In October 2017, a U.S. District Judge planned to visit China and engage with local legal officials, professional, researchers, professors, and students. Two events were planned—a presentation co-hosted with a local law firm and an afternoon discussion with law students at a Chinese school. The Chinese FAO cancelled the discussion the night before the event.\textsuperscript{538}

- In October 2017, a Chinese school, which previously had agreed to host an event with a speaker on corporate social responsibility, announced days before the event that it was “too sensitive” and cancelled.\textsuperscript{539}

- In June 2017, a Chinese school’s international department invited a State Department official to give a commencement speech. But two days before the event, the school called to say that they could only invite the U.S. official to attend the graduation ceremony.\textsuperscript{540}

- In March 2017, a State Department official was scheduled to speak to students at a Chinese school on U.S.-China Economic Relations. The lecture was cancelled the week before when the professor making the arrangements said that the academic exchange committee deemed it “too sensitive of a time to have a visit from U.S. Embassy personnel.” The Chinese professor added that, “with the National People’s Congress underway here it seems like everyone is very on their toes.”\textsuperscript{541}

- In March 2017, a Chinese school was initially very receptive to the opportunity to host the U.S. Consular General, and the Chinese school president approved of the event. A few weeks later, however, one official warned the school not to cooperate at all with the U.S. Consulate because it is a “very sensitive time in China right now.” The event was subsequently cancelled.\textsuperscript{542}

\textsuperscript{537} CDP-2018-00005-00028.
\textsuperscript{538} CDP-2018-00005-00023.
\textsuperscript{539} CDP-2018-00005-00030.
\textsuperscript{540} CDP-2018-00005-00026.
\textsuperscript{541} CDP-2018-00005-00030.
\textsuperscript{542} CDP-2018-00005-00031.
• In October 2016, a Chinese school official cancelled a presentation on the U.S election process after receiving instructions from superiors. That official apologized to the State Department and explained that the cancellation was attributed to the current “sensitive environment.” The official added that “similar activities have all been cancelled on the campus.”543

• In September 2016, a Chinese school professor reached out to the State Department about having a former ambassador speak to a group of students about the U.S. election. The event was scheduled, but cancelled days later. Following the cancellation, the Chinese professor informed the State Department that individuals from “National Security Bureau” and “Provincial FAO” asked the school to cancel the event.544