The Anti-Transparency Portal: A Financial-Analytic, Data Driven Review of Obscurities, Inconsistencies and Failures of Compliance Facing Section 117 Reporting of Foreign Gifts and Donations Received by American Colleges and Universities

Abstract: As mandated by congress in section 117 of the Higher Education Act, the Dept of Education receives annual reports from colleges and universities on foreign contracts and gifts totalling over $250,000. Yet withholding information on these funds, in violation of federal regulation, was widespread, until the Dept of Justice announced potential investigations. This event led to a mass disclosure in 2019-2020 with Middle Eastern and authoritarian sources comprising notable sources for funding. Worryingly, an NCRI analysis of Middle Eastern and Authoritarian funding from 117 reports provided from 2014-2019 showed significant and directional correlation with growth of antisemitism and suppression of speech in recipient campuses. These alarming trends warrant further investigation, and NCRI therefore conducted deeper, systematic, and up-to-date comparative analysis of annual Section 117 reports to better describe the total extent of funding withheld in violation of federal regulation, outline irregularities, highlight inconsistencies and illuminate other obstacles to public transparency and accountability.

Bottom Line Up Front

- Recent implementations by DoE 117 reporting after Sep 2020 make vast amounts of data impossible to fully and accurately resolve:
  - An additional ~$19 billion that has been reported since Sep 2020 and now appears with dates of receipt from institutions removed entirely.
  - Donor information does not appear in current reports, though it was collected previously.

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1 This draft is a pre-print publication - all accounting is currently under review by a professional third party and subject to revision.
2 The last report used to support this analysis from the DoE section 117 report dated April 6th, 2023.
- Departments and efforts that these funds support are not reported - There is no way to know what funding is for.

- **Previous historical entries in fields on crucial information have been removed without explanation:** Over 52,000 donor names and over 4100 dates of receipt, previously reported, have been inexplicably removed from currently available online reporting.

- **Over 1.2 Billion dollars of historically reported Qatar Funding has been removed inexplicably from the current DoE section 117 report.** Georgetown University and NorthWestern historically reported 823 Million and 647 Million respectively, Qatar-based funding tallied consistently across previous reporting. The current report\(^3\) tally inexplicably dropped entries for over 1.2 billion in Qatar-funding for these universities in total.

- **Failure of compliance is widespread:** As of the most recent report, we estimate that Universities and Colleges previously withheld information and reported delinquently, in violation of federal regulation, on a total of a minimum ~$7 billion, out of a total of ~$18 billion, in foreign contracts and gifts from 2014 to 2019. Much of this funding was rush-reported\(^4\) only after investigations by the DOJ were announced\(^5\).

- **To accurately monitor section 117 reporting for non-compliance now appears impossible unless these data voids are filled.** Absent the ability to resolve dates, donating organizations, recipient departments, specific efforts that these funds support, and billion dollar omissions and inconsistencies, NCRI assesses that full and accurate public reporting by third parties on section 117 funds is not currently possible.

**Methods and Key Findings:** NCRI financial analyst Michael Bass, CPA obtained consecutive bi-yearly reports from the Dept of Education Section 117 reporting\(^6\). We analyzed and compared different aspects of current reports in comparison to previous reporting to examine key differences and resolve inconsistencies in the reporting. A strategic consultant recommended by KPMG management and formerly with the firm, was hired to review and formalize these findings and critique methods and underlying data.

**Evaluating Recent implementations by the DoE 117 reporting after Sep 23rd 2020:**
We first sought to understand how crucial reporting features may have changed to section 117 reports, which were revamped in order to create greater transparency starting with a report issued September 23rd, 2020. We found that over $19 billion was listed in recent reports subsequent to the September 23rd 2020 report, but listed without dates\(^7\). Specifically, we noted

\(^5\) https://www.studentnewsdaily.com/daily-news-article/education-department-investigating-harvard-yale-over-foreign-funding/
\(^6\) Reports after September 2020 are available here https://sites.ed.gov/foreigngifts/. Previous reports were obtained and analyzed from the Department of Education but are no longer available online. Links to schedules/reports from before Sep 2020 can be found here: https://docs.google.com/spreadsheets/d/1saZKeLH3821dwhltlnZJnf9DkhddddqNFEU/edit?usp=sharing&ouid=108738248368749731325&rdpof=true&sd=true
\(^7\)This slack of dates also excepts “non-contractual” receipts, but these comprise a minority of funds (~48 million) and only ~2/3rds of these list dates of receipt.
the date output was missing or too vague for use in contract reporting which comprised the bulk of reported funding. Because dates are now too vague to assess, much of these reported funds also likely comprise withheld and delinquent reporting, but such non-compliance is now completely impossible to model.

Field and Data Entry Inconsistencies and Discrepancies: To determine whether field and data discrepancies existed between reports, we compared current data fields and entries, which became standardized in the most current set of DoE section 117 reports beginning with the report September 23rd 2020. We compared the fields and data available in previous reports to those available in reports after September 23rd 2020. We searched and indexed material from previous reports in data fields for names, dates, and specific amounts, which were available in these previous reports under “Donor Name”, “Receipt Date”.

We performed a search for these entries across their different values and when comparing to reports we had downloaded (that are no longer available online) from 2014-2019, we found no mentions of these entries in current reports after September 23rd 2020. This suggests that fields which identify donor institutions (n=52,961), as well as specific dates that funding was received (n=4,134) have been inexplicably removed.

Furthermore, we noted that not only had historical information been removed, the data entry fields that supported these data, on receipt dates and donating institutions were no longer being populated at all. As stated earlier, funds lacking these fields, starting in the report issued September 23rd, 2020 through the report issued April 6th, 2023 sum up to $19 billion in total (appendix figure 1 for details).

$1.2 Billion Dollars from Qatar are Inexplicably Missing in the Current Report: Among other missing fields, a very notable amount was ~$1.2 billion in funding from Qatar that is inexplicably missing from the current report [report 7, dated 10/2023] and which was consistently tallied and reported in previous reports. Previous reports showed fields containing 823 Million and 647 Million in totals for NorthWestern and Georgetown University respectively, for Qatar-based funding. This number was tallied consistently across previous reporting in our records and on the existing available reports. The current report tally inexplicably dropped entries for over 1.2 billion in Qatar-funding for these universities in total. There is no explanation in the report or elsewhere on the reporting website that we could find to explain these substantial missing entries.

Information and a Publicly Available Model on Previously Withheld or Delinquent, in Violation of Federal Regulation: We then sought to clarify, based on previous reporting, how

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8 Reports provide putative contract schedules for beginning and ending dates - but actual amounts received are unknowable and funds received or dates of receipt would be necessary for full funding analysis.

much reporting had been previously withheld or delinquent in violation of federal regulation\textsuperscript{10}. To do so, CPA, Michael Bass, and an independent strategic consultant, developed a highly conservative model to take account of structural reporting irregularities in the section 117 reports which (these irregularities are detailed in the appendix). Based on our analysis, we estimate that a minimum of approximately $7 billion in funding that met our criteria, a number closely in line with numbers previously reported by former DOJ officials. We have made this model and the underlying numbers available to the public as part of the scope of this report.

**Conclusion:** The NCRI’s recent analysis of Section 117 funding from 2014-2019, discovered a significant and directional relationship between this foreign funding, much of it previously withheld against federal regulations and much coming from Middle Eastern and authoritarian regimes, and the growth of antisemitic and anti-democratic behaviors on campus.

This new analysis revealed that $19 billion in section 117 reported foreign funds since September 23rd, 2020 lacks critical information on donor identity, dates of receipt, or underlying purpose. All of these fields are completely crucial to public scrutiny and measurement of compliance and without them, evaluating full compliance is impossible.

Such evaluation is particularly crucial when nations such as China and Qatar rank highly as key sources for the funding in question. The need for more careful oversight is also made evident by our finding that over a billion dollars from Qatar has inexplicably disappeared in the most recent 117 report. Inexplicably, critical historical information on donor identity and dates have disappeared from outputs in reports altogether.

Taken together, these findings portray that a pool of substantial foreign funding, significantly correlated with antisemitic and antidemocratic trends on campus has grown enormously since the dates covered in NCRI’s initial report, and has grown significantly less transparent for public scrutiny.

**ADDENDUM 12-7-2023:**

After completion of this report, NCRI analyzed the newest report on the DoE portal dated 10-2023. Analysis shows a total of 2.2 billion dollars of reported funds from Qatar now inexplicably missing from major universities (Figure 1)

\textsuperscript{10} See appendix methods for details - All models, developed by CPA Michael Bass and validated by an independent strategic consultant are available here: https://docs.google.com/spreadsheets/d/1l3pe EjDKZVRQw_kScdPzHYZ1Mku0HKbK/edit?usp=sharing&ouid=108738248368749731325&rtpof=true&sd=true
Addendum Figure 1. Funds missing from Qatar in the current section 117 reporting dated 10-23, compared to funds present in the previous report.

Furthermore, NCRI analyzed the rate of section 117 contributions from 2014 to 2019 and compared that to the average rate of section contributions from 2020-2023 and found a 55% increase in the rate of contributions in the past several years, including notable increases in OIC (Organization of Islamic Cooperation) countries and China.
Addendum Figure 2. Percentage changes in Avg section 117 funding from 2014-2019 to 2020-2023.

Taken together, these findings now appear to portray a growing financial infusion of capital into American universities and alarming numbers of irregularities which make transparency impossible.
APPENDIX:

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Appendix Table 1. An outline of funding from the top 12 source nations for funds that cannot be fully and accurately monitored publicly for non-compliance since September of 2020. Notably, countries such as Qatar, Saudi Arabia, China, Kuwait and the UAE appear in the list.

Appendix methods: To determine if reporting was previously withheld or delinquent in violation of federal regulation, we developed a model that took annually reported amounts during mid-year reports\(^\text{11}\), and subtracted 25% of the gap between the amount reported at the previous “end of the year” report and the amount in the mid-year report\(^\text{12}\). “End of year” reports are issued by the DoE on April 1st of each year, and cover dates from June 30th-December. Since we use the mid-year, and not end of year report, our analysis also includes data from January-June in the following year, this time still constitutes “late reporting”. During this time, the department updates reports, including late reporting. We then compared the amount received after this reduction to the final per year amounts reported in the September 23rd 2020 report - we chose this report date because this was the last report by the department that provided a date field for regular comparison to previous reports. If funding in a given year did not appear a full year after the year of the initial year of the report as described in our model, but appeared in the September 23rd 2020 report, we labeled the noncompliant reporting of this funding as “previously withheld or delinquent”. This model is extremely conservative, and a “floor” in our estimation of actual undisclosed funds.

The Network Contagion Research Institute (NCRI) aims to identify and forecast emerging threats facing vulnerable communities in the age of information disorder.

To learn more about this research, please contact Joel Finkelstein (joel@ncri.io) or Alex Goldenberg (alex@ncri.io).

\(^{11}\) These reports are released in September, and include cumulative information on all donations incremented to 6 months after the end of the previous year covering January 1 - June 30th.

\(^{12}\) This was done to conservatively accommodate possible additional withheld or delinquent information.