

ISGAP

INSTITUTE *for the* STUDY
of GLOBAL ANTISEMITISM
and POLICY

Volume Two

Examining Undocumented Foreign Funding of American Universities: Implications for Education and Rising Antisemitism

Charles Asher Small and Michael Bass
Institute for the Study of Global Antisemitism and Policy (ISGAP), New York

September 2020

ISGAP

INSTITUTE *for the* STUDY
of GLOBAL ANTISEMITISM
and POLICY

Volume Two

Examining Undocumented Foreign Funding of American Universities: Implications for Education and Rising Antisemitism

Charles Asher Small and Michael Bass
Institute for the Study of Global Antisemitism and Policy (ISGAP), New York

September 2020

ISBN 978-0-9827894-6-9

REPORT ON TRANSPARENCY IN COLLEGE FOREIGN FUNDING (FOLLOW THE MONEY)

This is about transparency. If colleges and universities are accepting foreign money and gifts, their students, donors, and taxpayers deserve to know how much and from whom. Moreover, it's what the law requires. Unfortunately, the more we dig, the more we find that too many are underreporting or not reporting at all. We will continue to hold colleges and universities accountable and work with them to ensure their reporting is full, accurate, and transparent, as required by the law.

Betsy DeVos, US Secretary of Education, February 2020

I. INTRODUCTION¹

In July 2019 at the Department of Justice (DOJ) in Washington, DC, the Institute for the Study of Global Antisemitism and Policy (ISGAP) presented a summary of the findings of a research project started in 2012. This project, entitled *Follow the Money*, examines the illicit funding of US universities by foreign governments, foundations, and corporations that adhere to anti-democratic and/or antisemitic ideologies and in some cases even have connections to terrorism and terror financing. The project revealed, for the first time, the existence of substantial Middle Eastern funding to US universities that was never reported to the Department of Education (DoED), as required by law. In fact, ISGAP's research uncovered billions of dollars of unreported funds, which in turn led to the launch of a federal government investigation. This issue is of great importance since the funding in question has in some cases supported attempts to usurp or influence the academic curriculum and create an atmosphere on campus that promotes intolerance.²

II. THE INVESTIGATIONS

ISGAP's *Follow the Money* project provides a new dimension, using data from existing DoED reports going as far back as 1986, before financial reporting was mandated. During this time much reporting was made by the DoED on the basis of voluntary college submissions. This key aspect of ISGAP's research project is the fruit of decades of work carried out by investigative accountant Michael J. Bass, CPA. The total value of the consolidated database of foreign gifts used by the ISGAP project, which was compiled on the basis of all DoED reports published up to December 31, 2018, was \$15.5 billion. By December 31, 2019, this figure had increased to \$22.74 billion.

¹ The Follow the Money project started in 2012, when it was discovered that a Vice President of Yale University worked with individuals and corporations that were associated with terror financing, political Islam and antisemitism. He was hostile to scholarly work, carried out at Yale, on contemporary antisemitism. Research revealed the network of funding to US universities.

² All the data presented in this report is derived from a database developed and managed by Michael Bass, consisting of accumulated data from the DoED's biannual reports on foreign funding published between April 5, 2013 and March 30, 2020 (covering the years 1982-2019). The initial database, upon publication of this report, has been updated to reflect changes, additions, deletions, or corrections in revised and new DoED reports. The total amount of reported foreign funding from the inception of the DoED's reports amounts to \$22.74 billion. The most recent DoED report of March 30, 2020 (covering the period from January 2014 to December 2019) records a total of \$15.76 billion in foreign funding.

At the aforementioned DOJ summit in July 2019, ISGAP Director Charles Asher Small revealed details of billions of dollars of funding from foreign sources, primarily from Qatar, that had never appeared in the DoED's reports. The details presented at the DOJ summit reflected all funding reported to the DoED by US colleges in connection with their campuses in Doha's Education City. In addition, they reflected an estimated \$2.8 billion that had not been reported to the DoED³ since the establishment of those campuses.

In the aftermath of the DOJ summit and ISGAP's bombshell presentation, a federal investigation was launched into unreported foreign donations to US universities. Federal reporting requirements and procedures have not been adequate in enforcing reporting by colleges of academic funding from foreign donors. *Follow the Money* changed the paradigm by shedding light on the funding of hatred on the campuses of America's most prestigious institutions of higher learning. Initially, as reported by major media outlets, including the *New York Times*, the *Wall Street Journal*, and BBC News, ISGAP's *Follow the Money* project discovered that between 2014 and 2019 Harvard University and Yale University, for example, had not identified the source of reported donations from and contracts with foreign governments worth at least \$375 million. The *Follow the Money* project continues to catalogue the failure of American universities to report foreign monetary donations and, more importantly, the influence this money purchases. This work helped prompt the DoED and the DOJ to take an active interest in foreign efforts to influence activities and academic policies at American universities.

Section 117 of the Higher Education Act requires American Title IV-eligible colleges and universities to report gifts from and contracts with foreign sources that exceed \$250,000 in value, as well as to disclose any foreign ownership or control, on a twice-yearly basis.⁴ The Senate Permanent Subcommittee on Investigations describes foreign spending on US schools as "a black hole," as colleges and universities "routinely" fail to comply with legal reporting requirements, and has noted that even reported foreign money can come with strings attached that might compromise academic freedom. DoED records from 1990 onward show that US colleges and universities have reported donations from Qatar, China, Saudi Arabia, and the United Arab Emirates (UAE) valued at approximately \$6.6 billion, but this figure may significantly underestimate the true value of these donations. According to investigations by Congress, the US Government Accountability Office (GAO), and the DoED, US colleges and universities regularly and significantly underreport foreign gifts and contracts (ISGAP 2019).

Following the launch of the federal government investigation in November 2019, word of the *Follow the Money*-DoED inspired scrutiny resulted in the sudden reporting by US colleges and universities of more than \$6 billion unreported foreign gifts from countries including Qatar, China, Saudi Arabia, and the United Arab Emirates.⁵

The March 2020 DoED report noted that Harvard University and Yale University, in particular, were not acting in good faith as regards the reporting of foreign donations. According to the report, these Ivy League schools lacked appropriate institutional controls over foreign money and failed to accurately report all foreign gifts and contracts as required by law.

³ This report takes into account changes during the past six years as reported by the DoED.

⁴ MESA Title VI and non-Title VI colleges: reported funding \$2.359 billion; unreported funding \$1.070 billion; total funding \$3.429 billion.

⁵ Total reported funding of US colleges and universities by major Middle Eastern countries: \$5.598 billion; total estimated unreported funding from Qatar: \$2.766 billion; grand total: \$8.724 billion. Unreported funding from other countries has not yet been identified.

Following the revelations presented by ISGAP at the DOJ summit, the DoED launched a wide-ranging investigation, in November 2019, into underreporting and non-reporting by colleges of foreign funding in contravention of Section 117 of the Higher Education Act. As noted above, this provision requires American Title IV-eligible colleges and universities to report gifts from and contracts with foreign sources that exceed \$250,000 in value, as well as to disclose any foreign ownership or control, on a twice-yearly basis.

Following the publication by the DoED mid-year report on foreign funding, covering the period from January 2013 to June 2019. This report, which was issued on September 30, 2019, recorded a total of \$12,060,404,653 in foreign funding.

The fact that this report was issued at an early stage in the DoED investigation meant that colleges and universities had not yet been put on notice that details of non-reported funding were being officially investigated. Not surprisingly, a subsequent DoED report covering the period from January 2014 to December 2019, which was released in March 2020, recorded a total of \$15,763 billion in foreign funding. Following the publication of this report, a groundbreaking analysis carried out by Michael Bass CPA detailed the impact of the investigation and highlighted the “catch-up” efforts of previously delinquent colleges and universities. The remediated foreign funding figures are as follows:

Total funding reported from January 1, 2014 to December 31, 2019: \$15,763,675,142. It should also be noted that additional funding reported since the previous report is; \$4,760,502,664. These important findings will be examined in Sections A, B and C. This additional reporting relates only to the years 2014-2019. Although its previous report included the year 2013, the DoED does not report on funding in years prior to the years covered by each new report, thus making it impossible to ascertain the details of any delinquent funding that may have been made by colleges prior to 2014.

A. Funds of Previously Non-Reporting Colleges (\$813 million)

Of the colleges reporting to the DoED in its latest report of March 2020, a total of 79 colleges that had not reported any foreign funding in the prior report reported amounts totaling \$813 million. The most prominent offender in this area was Northeastern University, which now reported foreign funding totaling \$209,612,629. The donor countries responsible for the previously unreported \$813 million included:

Country	Amount (in \$)
Saudi Arabia	143,715,184
China	69,052,698
Kuwait	45,603,124

B. Unreported Funding to Previously Reporting Colleges (\$3.947 billion)

Colleges that had previously reported to the DoED were responsible for reporting an additional \$2,112,284,057 for the years 2014-2018, which obviously should have already been reported to the DoED at the relevant time. A further \$1.834 billion of foreign funding was reported for 2019. This was somewhat higher than in previous years, indicating more complete college

reporting in the post-investigation period. The amount of additional foreign funding reported by previously reporting colleges is as follows:

Year	Amount (in \$)
2014	270,252,112
2015	361,788,897
2016	471,039,952
2017	571,683,644
2018	<u>437,519,452</u>
<i>Total</i>	2,112,284,057
2019	<u>1,834,478,466</u>
<i>Total</i>	<u>3,946,762,523</u>

Primary colleges included in the “catch-up” reporting for 2014-2018 (between November 2019 and March 2020 when the new DoED report was issued) include:

College	Amount (in \$)
Cornell (Qatar)	925,036,220
Yale University	331,258,652
Brigham Young	266,791,484

Donor countries primarily responsible for the newly reported amounts include:

Country	Amount (in \$)
Qatar	1,042,006,237
China	331,758,938
Saudi Arabia	319,986,344
UAE	214,330,882

Other notable observations include the fact that Harvard University, which has previously reported foreign funding, has not reported new figures for the years 2014-2019 as per the latest DoED report. In fact, it has only reported a reduction in previously reported foreign gifts for the year 2014 in the amount of \$60,253,317. In addition, both Harvard (which reported a total of \$1.87 billion in foreign funding during the above-mentioned period) and Yale (which reported \$564 million) have not reported the names or details of any foreign donors. While not mandated to do so, this omission prevents proper analysis and opens the door to speculation as to the reasons for such non-disclosure. Furthermore, Yale University has reported a total of only \$1,979 million in funding from Saudi Arabian sources, but has not reported to the DoED the well-publicized \$10 million gift it received in 2015 from Sheikh Kamel, which resulted in the establishment of the Abdallah S. Kamel Center for the Study of Islamic Law and Civilization at Yale Law School.

C. Previous Unreported Funding by Major Countries

According to the most recent DoED report, which is a “catch-up” report, funding from China, Russia, Saudi Arabia, Turkey, the UAE, and Qatar amounted to \$1.95 billion between 2014 and 2019, while the amount for the years 2014-2018 was \$1.347 billion. The findings, which are significant, represent the initial impact of the Federal investigation launched in November

2019. This is the share of the \$4.7 billion new reporting from those nations. The wakeup reporting in effect

According to Michael Bass analysis, however, these countries are responsible for funding US colleges to the tune of \$7.08 billion since the inception of DoED reporting. Major donor countries include:

Country	Amount (in \$ billion)
Qatar	3.429
China	1.415
Saudi Arabia	1.378
UAE	0.640

III. ISGAP FINDINGS⁶

A. General

In many cases, the lack of reporting may be seen as an attempt to conceal the purchase of influence and policy by state and non-state representatives. Several of the universities cited by the DoED only moved to report foreign gifts after it became that an official federal investigation was underway.

ISGAP's *Follow the Money* project has uncovered that the State of Qatar has donated the most money to prestigious US universities. Prior to the DoED investigation, it was estimated that the Gulf States gifted close to \$6.6 billion to US universities, of which close to \$3 billion, primarily from Qatar, was never reported to the DoED as required under Section 117 of the Higher Education Act. Qatari donors account for 75% of Middle Eastern donations to American universities, while the Qatar Foundation accounts for virtually all the donations from the Persian Gulf kingdom. These funds have a significant impact on campus attitudes, including the emergence of an antisemitic culture and BDS activities at some of the most important universities in the United States.

Qatar has embedded itself in several top universities in the United States. For example, the following schools, which are all recipients of Qatari funding, have established campuses in Doha: Georgetown University, Carnegie Mellon University, Northwestern University, Texas A&M University, and the Weill Medical College of Cornell University. This interoperability between US universities and foreign governments enables countries such as Qatar to exert influence and promote a pro-Islamist syllabus on American university curricula and campuses. Similar arrangements now exist with Turkey, Saudi Arabia, and Iran.

ISGAP's *Follow the Money* project has also examined US-based corporations and foundations with connections to anti-democratic and/or antisemitic forces in the Middle East that facilitate unreported funding to universities. Our research has found a direct correlation between the funding of universities by Qatar and the Gulf States and the active presence at those universities of groups that have been proven to foster an aggressive and hostile antisemitic atmosphere on campus, such as the Muslim Students Association (MSA) and Students for Justice in Palestine

⁶ These findings are based on ISGAP's ongoing *Follow the Money* research project, led by Dr. Charles Asher Small, with incorporates the groundbreaking work of investigative accountant Michael J. Bass, CPA and Glen Feder, an expert on the Muslim Brotherhood in the United States.

(SJP), (See Special Report on National Students for Justice in Palestine, Small and Patterson, Institute for the Study of Global Antisemitism and Policy, 2019).

In recent years, totalitarian Middle Eastern regimes, terrorist organizations, foundations, and affiliated private corporations have funneled billions of dollars to American universities with a view to promoting an environment that encourages the demonization of Israel and the Jewish people within the curriculum and on campus. According to Small and Patterson (2019), the contributes to the creation of a difficult and a hostile environment for Jewish students and faculty (including harassment) on campuses and encourages the BDS movement.

The most recent DoED report since the investigation, which has been incorporated into the consolidated database of foreign funding established by ISGAP, now provides a far more complete picture of Middle Eastern funding of US colleges, which amounts to \$5.958 billion in reported funding and \$2.766 billion in unreported funding:

Middle Eastern funding of US universities (in \$)

Reported funding	Qatar	3,428,854,335
	Other countries	<u>2,529,159,880</u>
	Total	5,958,014,215
Unreported funding	Qatar (estimated)	<u>2,766,406,223</u>
	<i>Total funding</i>	<u>\$8,724,420,438</u>

B. Qatar Foundation Funding to US Colleges

Qatar’s Education City in Doha was established by the Qatar Foundation in 1998. Since then, six US colleges have opened campuses there through contracts with the Qatar Foundation. These contracts have resulted in the remittance of billions of dollars to those colleges.

College	Campus established	Funding received (in \$)
Virginia and Commonwealth	1998	78,867,097
Cornell	2002	1,029,373,315
Carnegie Mellon	2004	591,571,726
Texas A&M	2003	505,598,021
Georgetown	2005	644,406,266
Northwestern	2005	514,986,235
<i>Total reported funding</i>		3,364,502,660

While the above represents funding reported by these colleges to the DoED, an analysis of the annual reports of most of the colleges reveals a serious lack of consistency and completeness. The discrepancy has been estimated at close to \$2 billion, including the recent catch-up reporting by colleges following the DoED investigation.

This unreported funding, identified by ISGAP on the basis of Form 990 returns filed with the IRS and other available documentation, is obscured by the fact that the DoED does not reissue

reports. In other words, it does not report funding that predates the years covered in its latest report (2014-2019). Although colleges may have reported additional funding for 2013 and earlier to the DoED, this information has accordingly not been made public. This kind of underreporting primarily affects Virginia and Commonwealth University, Cornell University and Texas A&M University prior to 2014.

C. MESA Centers

Another key issue in relation to the funding of US colleges concerns institutions where Middle East Studies Association (MESA) centers are allowed to operate. While some of these colleges receive Title VI funding and others do not, the activities of these centers have recently given rise to serious issues of concern. For example, at colleges with active MESA centers, a large number of faculty have signed boycotts against Israel and brought their often antisemitic ideology into the classroom. The open expression of anti-Israel sentiment and the mistreatment of Jewish and/or pro-Israel students and faculty have played a role in the recent rise of antisemitism at US colleges and universities. However, these developments have been tolerated, in general, and downplayed by university administrations that receive generous funding from Middle Eastern donors.

According to the consolidated DoED database, Middle Eastern funding of colleges with MESA centers can be summarized as follows:

Middle Eastern Funding of Colleges with MESA Centers (in \$)

Title-VI-funded colleges	Qatar	667,745,466
	Saudi Arabia	304,553,451
	UAE	<u>219,446,705</u>
	<i>Total</i>	<u>1,191,745,622</u>
Non-Title-VI-funded colleges	Qatar	1,033,922,552
	Saudi Arabia	122,958,137
	UAE	<u>10,801,867</u>
	<i>Total</i>	<u>1,167,682,556</u>
<i>Total funding</i>		<u>\$2,359,428,178</u>

The above-mentioned figures relate to colleges with Qatar campuses that have MESA activities in the United States, namely Cornell University and Georgetown University, but not to colleges with Qatar campuses that do not have MESA activities in the United States, namely Carnegie Mellon University, Northwestern University, Texas A&M University and Virginia Commonwealth University, which together have reported a total of \$1,690,723,079 in contract-based funding from Qatar.

D. Campus Antisemitism and Extremism

In several cases, Middle Eastern funding of US colleges seems to be correlated with an increase in anti-Zionist and even overtly antisemitic propaganda and activities targeting Jewish and/or pro-Israel students and faculty on university campuses by groups like Students for Justice in Palestine (SJP) and the Muslim Students Association (MSA). Moreover, such behavior is often

tolerated or disregarded by university administrations in a manner that would be deemed entirely unacceptable in the case of other minority and/or vulnerable groups. As discussed in detail in the ISGAP's Report on National Students for Justice in Palestine, the SJP and the MSA act as fronts for the Muslim Brotherhood and actively promote anti-Israel boycotts on campus, (Small and Patterson 2019). By encouraging university administrations to tolerate such activities, the "influence" purchased through Middle Eastern funding has helped turn many US campuses into a hostile environment for Jewish students and faculty.

IV. CONCLUSION

In addition to the failure of major US colleges and universities to accurately and truthfully report the significant amounts of foreign funding they receive, the DoED and DOJ investigations have revealed an endemic failure to prevent foreign state and non-state actors from promoting antisemitic and anti-Israel ideas and policies to the decision-makers who oversee the curriculum and the educational experience of hundreds of thousands of American students. The revelation of the existence of billions of dollars in unreported foreign funding that in many cases appears have an adverse effect on academic freedom and campus politics only scratches the surface of a conspiracy that has gone unchecked for too long. In light of the above, ISGAP's *Follow the Money* project will continue its efforts to unravel the layers of deceit and influence-peddling surrounding the foreign funding of US colleges and universities in order to restore transparency and integrity to the hallowed halls of American higher education.