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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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February 13, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Administrator Carranza:

As you may know, recent investigations from the Department of Justice and the Department of Education have indicated that a professor at one of the country's top universities lied about his ties to China while he was simultaneously paid large sums by Chinese entities and received millions of dollars from U.S. government agencies to fund his research. I am deeply concerned about the flow of federal research dollars, the role of the competitive Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, and the appropriate vetting by universities of their academics who are competing and bidding for these government resources.

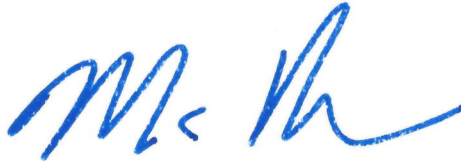
Dr. Charles Lieber, Chair of Harvard University's Chemistry and Chemical Biology Department, received more than \$15 million to fund his research into nanowires, has been tied to China's Thousand Talents Program, and was paid egregious sums of money from the Wuhan University of Technology (WUT). In 2001, Dr. Lieber was one of the founders of Nanosys, Inc., which received sixteen SBIR awards from 2002 to 2006 to fund research into nanosensor and nanowire projects through his lab at Harvard University. They also received funds to develop unique manufacturing processes for "high-performance electronic products" that likely helped Nanosys, Inc. commercialize their quantum dot technology and informed Dr. Lieber's research and development work for WUT, which was focused on nanowire-based lithium ion batteries for electric vehicles. Nanosys, Inc. received SBIR awards from the Department of Defense, Department of Energy, Department of Health and Human Services, the National Aeronautics and Space Administration, and the National Science Foundation, totaling more than \$5.4 million in competitive funds.

I am alarmed that Dr. Lieber advanced his research in nanosensor and nanowire technologies with millions of dollars in non-dilutive funds from the SBIR program that enabled him to subsequently bid on, and receive, millions of dollars in federal contracts. I am also concerned about the seeming lack of appropriate due diligence on the part of Harvard University to assess the ties their professors have with foreign entities. It is imperative that the Small Business Administration (SBA) is playing an active role, to the extent possible, in ensuring this due diligence occurs. Please provide the Committee with information on what oversight

processes the SBA has in place over agencies participating in the SBIR and STTR programs to ensure their awardees, including those associated with universities, do not have improper ties to foreign entities, as well as what penalties exist if these relationships are uncovered. Please provide this information to the Committee by March 13, 2020.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Rubio', is written above a horizontal line.

Marco Rubio
Chairman