

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 9123

To establish intelligence community funding restrictions on institutions of higher education that have a relationship with certain entities in the People’s Republic of China, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2026

Mr. FALLON introduced the following bill; which was referred to the Permanent Select Committee on Intelligence

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## A BILL

To establish intelligence community funding restrictions on institutions of higher education that have a relationship with certain entities in the People’s Republic of China, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Espionage Prevention  
5 Act”.

1 **SEC. 2. FUNDING RESTRICTION ON INSTITUTIONS OF HIGH-**  
2 **ER EDUCATION THAT HAVE A RELATIONSHIP**  
3 **WITH CERTAIN ENTITIES OF THE PEOPLE’S**  
4 **REPUBLIC OF CHINA.**

5 The National Security Act of 1947 (50 U.S.C. 3001  
6 et seq.) is amended by inserting after section 121 (50  
7 U.S.C. 3061) the following new section (and conforming  
8 the table of contents at the beginning of such Act accord-  
9 ingly):

10 **“SEC. 121A. FUNDING RESTRICTION ON INSTITUTIONS OF**  
11 **HIGHER EDUCATION THAT HAVE A RELA-**  
12 **TIONSHIP WITH CERTAIN ENTITIES OF THE**  
13 **PEOPLE’S REPUBLIC OF CHINA.**

14 “(a) DEFINITIONS.—In this section:

15 “(1) COVERED ENTITY.—The term ‘covered en-  
16 tity’ means a Confucius Institute, Thousand Talents  
17 Program, Chinese university of concern, or entity on  
18 the 1260H list.

19 “(2) CHINESE UNIVERSITY OF CONCERN.—The  
20 term ‘Chinese university of concern’ means any uni-  
21 versity or college in the People’s Republic of China  
22 that—

23 “(A) is involved in the implementation of  
24 military-civil fusion;

25 “(B) participates in the Chinese defense  
26 industrial base;

1           “(C) is affiliated with the Chinese State  
2 Administration for Science, Technology and In-  
3 dustry for the National Defense;

4           “(D) receives funding from any organiza-  
5 tion subordinate to the Central Military Com-  
6 mission of the Chinese Communist Party;

7           “(E) provides support to any security, de-  
8 fense, police, or intelligence organization of the  
9 Government of the People’s Republic of China  
10 or the Chinese Communist Party;

11           “(F) purposefully undermines the United  
12 States relationship with Taiwan;

13           “(G) aids, abets, or enables the detention,  
14 imprisonment, persecution, or forced labor of  
15 Uyghur Muslims in the People’s Republic of  
16 China;

17           “(H) willfully and knowingly engages in  
18 malicious activities, including online  
19 disinformation campaigns and propaganda, for  
20 the purpose of interfering with United States  
21 Federal, State, or local elections; or

22           “(I) is affiliated with the Chinese Academy  
23 of Sciences.

1           “(3) CONFUCIUS INSTITUTE.—The term ‘Con-  
2           fucius Institute’ means a cultural institute funded by  
3           the Government of the People’s Republic of China.

4           “(4) INSTITUTION OF HIGHER EDUCATION.—  
5           The term ‘institution of higher education’ has the  
6           meaning given such term in section 102 of the High-  
7           er Education Act of 1965 (20 U.S.C. 1002).

8           “(5) RELATIONSHIP.—The term ‘relationship’  
9           means, with respect to an institution of higher edu-  
10          cation, any contract awarded to or from, agreement  
11          entered into with, or in-kind donation or gift re-  
12          ceived from, any covered entity.

13          “(6) THOUSAND TALENTS PROGRAM.—The  
14          term ‘Thousand Talents Program’ means any tech-  
15          nological or educational program funded or adminis-  
16          tered by the Chinese Communist Party’s Ministry of  
17          Industry and Information Technology.

18          “(7) 1260H LIST.—The term ‘1260H list’  
19          means the list of Chinese military companies oper-  
20          ating in the United States most recently submitted  
21          under section 1260H(b)(1) of the William M. (Mac)  
22          Thornberry National Defense Authorization Act for  
23          Fiscal Year 2021 (10 U.S.C. 113 note).

24          “(b) RESTRICTIONS ON INSTITUTIONS OF HIGHER  
25          EDUCATION.—Except as provided by subsection (c), be-

1 ginning with the first fiscal year that begins after the date  
2 that is 12 months after the date of the enactment of this  
3 section, the Director of National Intelligence shall ensure  
4 that an institution of higher education (referred to in this  
5 subsection as an ‘institution’) which has a relationship  
6 with a covered entity is ineligible to receive any funds from  
7 any element of the intelligence community, unless the in-  
8 stitution terminates its relationship with the covered enti-  
9 ty. Upon termination of any such relationship, the ineligi-  
10 bility imposed under this section shall no longer apply.

11 “(c) WAIVER.—

12 “(1) IN GENERAL.—The Director of National  
13 Intelligence, on a case-by-case basis and for a period  
14 not to exceed one year, may waive the application of  
15 the restriction under subsection (b) with respect to  
16 an institution of higher education if the Director de-  
17 termines—

18 “(A) the institution maintains robust safe-  
19 guards and enforcement protocols to monitor  
20 the relationship with a covered entity, including  
21 active measures to detect and deter attempts by  
22 Chinese nationals affiliated with a covered enti-  
23 ty to gain unauthorized access to sensitive re-  
24 search, data, or federally funded development

1 activities conducted at or on the premises of, or  
2 by, such institution; and

3 “(B) either—

4 “(i) the relationship is in the national  
5 security interests of the United States; or

6 “(ii) the relationship does not present  
7 a direct or indirect national security risk to  
8 the United States or the allies of the  
9 United States.

10 “(2) RENEWAL.—On an annual basis, the Di-  
11 rector may renew a waiver issued under paragraph  
12 (1) if the Director determines all of the conditions  
13 described in such paragraph continue to be satisfied.

14 “(3) EFFECTIVE DATES.—A waiver issued or  
15 renewed pursuant to paragraph (1) or (2), respec-  
16 tively, takes effect and applies beginning on the date  
17 that is 30 days after such issuance or renewal, as  
18 the case may be.

19 “(4) NOTIFICATION.—If the Director issues or  
20 renews a waiver pursuant to paragraph (1) or (2),  
21 respectively, not later than 30 days before such  
22 issuance or renewal, as the case may be, takes ef-  
23 fect, the Director shall submit to the Permanent Se-  
24 lect Committee on Intelligence of the House of Rep-  
25 resentatives and Select Committee on Intelligence of

1 the Senate written notification regarding such  
2 issuance or renewal, including a justification relating  
3 thereto.

4 “(d) ASSISTANCE.—The Director of National Intel-  
5 ligence shall provide outreach and, upon request, technical  
6 assistance to institutions of higher education relating to  
7 compliance with this Act.

8 “(e) ASSISTANCE.—The Director of National Intel-  
9 ligence shall provide outreach and, upon request, technical  
10 assistance to institutions of higher education relating to  
11 compliance with this section.

12 “(f) REPORTS.—Not later than 18 months after the  
13 date of the enactment of this section and annually there-  
14 after, the Director of National Intelligence shall submit  
15 to the congressional intelligence committees a report re-  
16 garding implementation of this section during the imme-  
17 diately preceding 12-month period. Each such report shall  
18 include information relating to the following:

19 “(1) Any institution of higher education that  
20 has a relationship with a covered entity and receives  
21 funds from any element of the intelligence commu-  
22 nity.

23 “(2) The implementation of subsections (b) and  
24 (d).”.

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