

Trump Targets “Foreign Influence” on Campus: Key Considerations for Universities

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On April 23, 2025, President Trump issued Executive Order 14282 on “Transparency Regarding Foreign Influence at American Universities” (the “Order”). With its stated intent to “safeguard America’s students and research” and address “propaganda sponsored by foreign governments,” the Order seeks to bolster enforcement of Section 117 of the Higher Education Act of 1965 (“Section 117”),¹ which requires federally funded universities to disclose certain foreign funding.

The Order has opened a new front in the ongoing conflict between the Trump administration and American universities. It was issued against the backdrop of significant federal funding cuts and freezes, aggressive agency investigations and immigration-related enforcement actions against foreign students. This Client Update analyzes the Order and its implications in the context of the administration’s broader efforts to reshape the landscape of higher education and offers some practical suggestions for universities’ in-house counsel.

Section 117 and Pre-2025 Enforcement Trends

Section 117 applies to accredited universities that receive federal financial assistance, including nearly all public and private U.S. universities.² Under Section 117, universities are required to disclose to the Department of Education, on a semiannual basis, any gifts received from, and any contracts with, a foreign source with a collective value of over \$250,000 in a calendar year. A “foreign source” includes foreign governments, legal entities created under a foreign state’s laws, individuals who are not U.S. citizens or nationals and agents acting on behalf of a foreign source.

Section 117 was enacted in 1986, but it was not aggressively enforced until the first Trump administration. In the last year and a half of President Trump’s first term, the Department of Education opened 19 investigations into universities’ compliance with

¹ 20 U.S.C. § 1011(f).

² 20 U.S.C. § 1011f(h)(4).

Section 117 reporting obligations. During this period, the Office of General Counsel of the Department of Education (the “ED OGC”) was responsible for overseeing Section 117 enforcement. Under the Biden Administration, Section 117 was deprioritized again, and responsibility for its enforcement shifted to the Office of Federal Student Aid. On April 25, 2025—two days after the Order—the Department of Education announced that ED OGC would again assume enforcement responsibility for Section 117 as part of the administration’s “prioritization of Section 117 enforcement.”

Legislation to Expand the Scope of Section 117 Reporting

Republicans in Congress are seeking to amend Section 117 and adjust the reporting threshold. In 2023, the U.S. House of Representatives passed the “Defending Education Transparency and Ending Rogue Regimes Engaging in Nefarious Transactions (DETERRENT)” Act.³ The DETERRENT Act would expand disclosure requirements by lowering the reporting threshold from \$250,000 to \$50,000 across the board. For “countries of concern,” which include China, Iran, Russia, North Korea, and countries the Education Department may designate, all gifts and contracts would be reportable. The Act also would require universities to publicly disclose information about the sources of foreign funds and about foreign funding provided to individual faculty and staff for research and development work. In addition, universities would be prohibited from executing contracts with countries of concern unless they obtain a waiver from the Department of Education. The DETERRENT Act failed to advance to a Senate vote in the last Congress, but it was recently re-introduced (with minor changes) and passed by the House, and it could see action this Congress given Republican control of the Senate.⁴

Executive Order 14282 and Its Implications

The Order states that the Secretary of Education, in conjunction with the Attorney General, will enforce Section 117 and require the “complete and timely disclosure” of foreign funding received by universities. The Order directs the Secretary of Education to take enforcement actions, including:

- To reverse or rescind actions by the Biden administration that permit universities to maintain “improper secrecy” regarding foreign funding;

³ DETERRENT Act, H.R.5933, 118th Cong. (2023).

⁴ DETERRENT Act, H.R.1048, 119th Cong. (2025).

- To require universities to disclose greater detail about foreign funding, including the funds' "true source and purpose";
- To increase public disclosure of information about the foreign funding of universities; and
- To conduct audits and investigations of universities to ensure Section 117 compliance and seek enforcement by the Attorney General for noncompliance.

The Order states that the federal government will not award grants to institutions that fail to complete certification of compliance with Section 117. It also directs the Secretary of Education to ensure that universities' certification of Section 117 compliance is deemed "material" for purposes of the False Claims Act (the "FCA").⁵

By explicitly tying Section 117 compliance to eligibility for federal funding, the Order greatly magnifies the potential consequences of a reporting failure. Defining Section 117 certification as necessarily "material" under the FCA does so as well. The FCA establishes liability for anyone who "knowingly makes, uses, or causes to be made or used, a false record or statement" in connection with government business. It also introduces the possibility of qui tam litigation, which carries treble damages and heavy incentives for whistleblowers to bring claims on the government's behalf. Notably, the administration took a similar approach in the January 21, 2025, Executive Order on "Ending Illegal Discrimination and Restoring Merit-Based Opportunity," requiring federal contracts and grant recipients to certify that they do not operate "programs promoting DEI that violate any applicable Federal anti-discrimination laws."⁶

Given the context in which it was issued, the Order is likely to become one of many tools the government can employ in its aggressive enforcement efforts against universities. Because of congressional attention to the matter, with overlap of the DETERRENT Act, Section 117 issues and the government's national security priorities, it is also possible that the enforcement efforts will spread beyond the Department of Education to other government agencies, enforcement bodies and congressional committees.

In recent weeks, the Department of Education has made requests to multiple universities regarding their foreign funding and Section 117 compliance, consistent with the directive in the Order. These requests seek records and information about universities' Section 117 compliance procedures and details regarding their foreign-source gifts and contracts. Some requests go beyond Section 117 to include questions

⁵ 31 U.S.C. § 3729(a)(1)(B).

⁶ Exec. Order No. 14173.

regarding foreign student expulsions and foreign personnel. And in March, the House Select Committee on the Chinese Communist Party sent information requests to several universities regarding Chinese national students' enrollment in advanced STEM programs and their involvement in federally funded research. Recent reporting in conservative news media also has highlighted sanctions and human rights concerns with gifts, contracts and partnerships between U.S. universities and foreign organizations—particularly with regard to Chinese state-owned organizations accused of violating the Uyghur Forced Labor Prevention Act.⁷

Recommendations for Universities' General Counsel

In this environment of escalating federal enforcement, universities should prepare for greater scrutiny of their foreign funding and more severe consequences of Section 117 noncompliance. As they navigate this challenging landscape, universities' in-house counsel should consider taking the following steps:

- **Maintain detailed records of foreign funding.** As the administration ramps up Section 117 enforcement, meticulous recordkeeping is crucial. Universities should maintain thorough records of foreign gifts and contracts, including those below the current \$250,000 threshold. At least one document request to a university recently has sought information on all foreign gifts, grants and contracts—regardless of the amount. The DETERRENT Act, if enacted, will lower or remove the current threshold.
- **Review and update Section 117 compliance procedures.** Universities should consider conducting a careful review of and, if needed, revisions to their Section 117 compliance policies and procedures. These procedures have been—and likely will continue to be—the subject of document requests from the Department of Education.
- **Conduct targeted review of donations, contracts, partnerships and other dealings with certain countries.** Given the administration's focus, universities should consider conducting targeted reviews of their relationships with individuals and organizations in higher-risk jurisdictions. These would include “countries of concern,” such as China and Russia, as well as other areas of higher geopolitical risk,

⁷ For more information on the Uyghur Forced Labor Prevention Act, see *Debevoise National Security Update: Increased UFLPA Enforcement*, DEBEVOISE & PLIMPTON (Dec. 10, 2024), <https://www.debevoise.com/insights/publications/2024/12/debevoise-national-security-update-increased-uflpa>; *Debevoise National Security Update: UFLPA Entity List Expansion*, DEBEVOISE & PLIMPTON (May 22, 2024), <https://www.debevoise.com/insights/publications/2024/05/debevoise-national-security-update-uflpa-entity>.

including the Middle East. Such reviews should go beyond Section 117 compliance to address sanctions and national security, terrorist financing and money laundering risks, as well as reputational concerns.

- **Training and staying up to date.** Universities should consider providing periodic training to employees involved in handling foreign gifts, contracts and relationships and those who collect and maintain the data for Section 117 reporting purposes. In light of the likely changes in both the legal requirements and enforcement environment in the coming months, it is particularly important to ensure that your procedures and training materials remain current and—where possible—anticipate future developments in this space.

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The undersigned authors and the entire Debevoise team would be glad to discuss any aspect of these or other related developments with you and your colleagues.



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