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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend section 117 of the Higher Education Act of 1965 to clarify the enforcement of such section, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mrs. HARSHBARGER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend section 117 of the Higher Education Act of 1965 to clarify the enforcement of such section, 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 “Requiring Education  
5 Providers to Observe Requirements or Trigger Fines Act”  
6 or the “REPORT Fines Act”.

1 **SEC. 2. DISCLOSURES OF FOREIGN GIFTS.**

2 (a) DISCLOSURE REPORT.—Section 117(a) of the  
3 Higher Education Act of 1965 (20 U.S.C. 1011f(a)) is  
4 amended by striking “the value of which is \$250,000 or  
5 more, considered alone or in combination with all other  
6 gifts from or contracts with that foreign source within a  
7 calendar year” and inserting “the value of which is  
8 \$50,000 or more within a calendar year”.

9 (b) ENFORCEMENT.—Section 117(f) of the Higher  
10 Education Act of 1965 (20 U.S.C. 1011f(f)) is amended  
11 to read as follows:

12 “(f) ENFORCEMENT.—

13 “(1) SYSTEM OF PENALTIES.—

14 “(A) FIRST INSTANCE OF FAILURE.—

15 Whenever it appears that an institution has  
16 failed to comply with the requirements of this  
17 section for the first time in a 3-year period, and  
18 except in a case in which a civil action is  
19 brought against an institution under paragraph  
20 (3)—

21 “(i) the Secretary shall issue a written  
22 warning to such institution that sets forth  
23 each failure of compliance, each corrective  
24 action that the institution shall take to be  
25 in compliance, and the requisite time pe-

1           riod in which the institution must take  
2           such corrective action; and

3                   “(ii) the institution shall be provided  
4           the opportunity to respond to the Sec-  
5           retary not later than 60 days after the  
6           date on which the warning is received by  
7           the institution.

8                   “(B) SECOND INSTANCE OF FAILURE.—In  
9           a case in which an institution received a written  
10          warning under subparagraph (A), and the insti-  
11          tution appears to have failed to comply with the  
12          requirements of this section for the second time  
13          during the 3-year period beginning on the date  
14          on which such warning was received by the in-  
15          stitution under subparagraph (A), upon a judi-  
16          cial finding that such institution has failed to  
17          comply with the requirements of this section,  
18          including any rule or regulation promulgated  
19          under this section, the Court shall impose a  
20          civil penalty in an amount that does not exceed  
21          amount of funds provided by the foreign source  
22          to the institution and which is the subject of  
23          the institution’s failure under this subpara-  
24          graph.

1                   “(C) THIRD OR SUBSEQUENT INSTANCE  
2                   OF FAILURE.—

3                   “(i) JUDICIAL FINDING.—In a case of  
4                   an institution on which a civil penalty was  
5                   imposed under subparagraph (B), and  
6                   such institution appears to have failed to  
7                   comply with the requirements of this sec-  
8                   tion for a third time, or any time there-  
9                   after, during the 3-year period beginning  
10                  on the date on which a warning was re-  
11                  ceived under subparagraph (A), upon a ju-  
12                  dicial finding that an institution has failed  
13                  to comply with the requirements of this  
14                  section, including any rule or regulation  
15                  promulgated under this section, the Court  
16                  shall impose a civil penalty in an amount  
17                  equal to the amount of funds provided by  
18                  the foreign source to the institution and  
19                  which is the subject of the institution’s  
20                  failure under this subparagraph.

21                  “(ii) INELIGIBILITY.—In a case in  
22                  which the court finds that an institution  
23                  has failed to comply with the requirements  
24                  of this section for a third time, or any time  
25                  thereafter, during the 3-year period begin-

1           ning on the date on which a warning was  
2           received under subparagraph (A), including  
3           any rule or regulation promulgated under  
4           this section, the institution shall be ineli-  
5           gible for new Federal research funding  
6           during the fiscal year following such a  
7           finding.

8           “(2) ACCELERATED PENALTIES.—

9           “(A) IN GENERAL.—In any instance in  
10          which a court determines under subparagraph  
11          (B) or (C) of paragraph (1) that an institution  
12          received funding, and the funding was from a  
13          foreign adversary, or any entity associated with  
14          a foreign adversary, such institution shall im-  
15          mediately be assessed a civil penalty under  
16          paragraph (1)(C).

17          “(B) FOREIGN ADVERSARY DEFINED.—  
18          For purposes of this paragraph, the term ‘for-  
19          eign adversary’ has the meaning given the term  
20          in the rule issued by the Department of Com-  
21          merce entitled ‘Securing the Information and  
22          Communications Technology and Services Sup-  
23          ply Chain’ (86 Fed. Reg. 4913 (January 19,  
24          2021)). Such foreign adversaries include—

1                   “(i) the People’s Republic of China,  
2                   including the Hong Kong Special Adminis-  
3                   trative Region (China);

4                   “(ii) the Republic of Cuba (Cuba);

5                   “(iii) the Islamic Republic of Iran  
6                   (Iran);

7                   “(iv) the Democratic People’s Repub-  
8                   lic of Korea (North Korea); the Russian  
9                   Federation (Russia); and

10                  “(v) Venezuelan politician Nicolas  
11                  Maduro (Maduro Regime).

12                  “(3) COURT ORDERS.—Whenever it appears  
13                  that an institution violated this section, other than  
14                  in a case in which such institution receives a warn-  
15                  ing under paragraph (1)(A), a civil action shall be  
16                  brought by the Attorney General, at the request of  
17                  the Secretary, in an appropriate district court of the  
18                  United States, or the appropriate United States  
19                  court of any territory or other place subject to the  
20                  jurisdiction of the United States, to request such  
21                  court compel compliance with the requirements of  
22                  this section and impose civil penalties, as appro-  
23                  priate.

24                  “(4) COSTS.—For any failure to comply with  
25                  the requirements of this section, including any rule

1 or regulation promulgated thereunder, the institu-  
2 tion shall pay to the Treasury of the United States  
3 the full costs to the United States of obtaining com-  
4 pliance, including all associated costs of investigation  
5 and enforcement.”.

6 **SEC. 3. RULES.**

7 (a) **IN GENERAL.**—Not later than 120 days after the  
8 date of enactment of this Act, the Secretary of Education  
9 shall promulgate rules to clarify the amendments made by  
10 section 2.

11 (b) **RULEMAKING REQUIREMENTS.**—The amend-  
12 ments made by section 2 shall not—

13 (1) be subject to the master calendar require-  
14 ments under section 482 of the Higher Education  
15 Act of 1965 (20 U.S.C. 1089); or

16 (2) the public involvement and negotiated rule-  
17 making requirements under section 492 of the High-  
18 er Education Act of 1965 (20 U.S.C. 1098a).