

DEVCOM ARL (UMLARC) VC Investment Initiative
Security Risk Review Information

I. Notice of Intent.

- (a) Security Risk Review. The Security Risk Review is applied to this effort and is designed to help protect Department of the Army and its companies by identifying possible vectors of undue foreign influence.
- (b) Security risk review for this initiative will be developed for all proposed Senior/Key personnel and “Covered Individuals”. Risk reviews will be based on information disclosed in a Research and Related Senior and Key Person Profile and Security Questionnaire. In addition, any accompanying or referenced documents, publicly available information, and information contained in internal U.S. Government databases will be utilized in risk reviews. Nationality or citizenship is not a factor in the security risk reviews.
- (c) The security review will measure risk factors to identify the appropriate Risk Acceptance Level (RAL) within the organization. The objective analysis of the security risk factors is conducted to empower leaders to make risk-informed decisions. The review process generally looks at five factors, or risk areas, but with authority for expanded review as noted in OSD R&E Memorandum dated 6 Jun 2023. The potential security risk factors are set forth below:

Potential security risk factors:

(1) Foreign Talent Program	(2) Funding	(3) Foreign Institutions	(4) Denied Entities	(5) U.S. Government Systems
Indicators of active and past participation or sponsorship in a strategic competitor Foreign Talent Program with history of targeting U.S. research or technology.	Indicators of active, historical, or pattern of conflict of interest, conflict of commitment, or pattern of direct funding from a strategic competitor or country with history of targeting U.S. research or technology.	Indicators of active, historical, or pattern of association with direct affiliation, collaboration with a foreign institution, person, or entity associated with a strategic competitor or country with history of targeting U.S. research or technology.	Indicators of an active affiliation or past affiliation or present association with an entity on the U.S. Gov't denied entity or person list or EO 13959 or subsequent similar issuances	Indicators that may reside in safeguarded U.S. government environments, according to its ascribed classification and not releasable for public consumption.

II. Actions Required by Applicants/Recipients and/or Offerors/Contractors at application/proposal submission.

- (a) As part of this effort, VC Firms will be required to fill out the Security Section on the Form.
- (b) In the event a security risk is identified, and it has been determined the security risk exceeds the acceptable threshold, the Firm will be rejected/removed from being part of this initiative. Since there are no formal agreements and funding being provided, the firm will not be allowed any recourses for rejection. In the event a firm is initially included in the initiative, but is later removed from the due to security risk factors found at a later date, the firm will be notified and subsequently excluded from all further information and engagements.
- (c) By submission to this RFP the Firm agrees to comply with the following:

- (1) To certify that each covered individual who is listed on the application has been made

aware: 1) of all relevant disclosure requirements, including the requirements of 42 U.S.C. § 6605; and 2) that false representations may be subject to prosecution and liability pursuant to, but not

limited to, 18 U.S.C. §§287, 1001, 1031 and 31 U.S.C. §§ 3729-3733 and 3802. See National Science and Technology Council Guidance for Implementing National Security Presidential Memorandum 33 (NSPM-33) on National Security Strategy for United States Government Supported Research and Development (January 2022).

(2) To establish and maintain an internal process or procedure to address foreign talent programs, conflicts of commitment, conflicts of interest, and research integrity.

(3) To exercise due diligence to identify Foreign Components or participation by Senior/Key Personnel in Foreign Government Talent Recruitment Programs and agree to share such information with the Government upon request.

III. Actions Required by Covered Individuals.

(a) Covered Individual. An individual who contributes in a substantive, meaningful way to the initiative/company success.

(b) Federal law requires that all current and pending research support, as defined by 42 U.S.C. §6605, must be disclosed at the time of application/proposal submission, for all covered individuals. An updated disclosure is required to be submitted whenever covered individuals are added or identified as performing under the funded project.

(c) Covered Individuals are also required to sign the “Privacy Act Statement” and provide such signed statement to the Firm for submission with the application/proposal.

(d) Failure to report fully and completely all sources of project support and outside positions and affiliations may be considered a material statement within the meaning of the False Claims Act, 31 U.S.C. 3729, and constitute a violation of Federal law.

IV. Actions required by Applicants/Recipients during participation in this initiative:

(a) The firm will be required to re-submit Key Personnel information as an annual requirement. In addition, whenever a new covered individual(s) is to be added or identified as performing as part of the initiative, a new security information will be required prior to continued performance.

(b) If, at any time, during performance of this initiative, the Firm learns that its Senior/Key Research Personnel (including any sub personnel who receive this designation) are or are believed to be participants in a Foreign Government Talent Program or have Foreign Components with a strategic competitor or country with a history of targeting U.S. technology for unauthorized transfer, the Firm will notify the UMLARC POC within 5 business days of awareness.

(c) This disclosure must include specific information as to the personnel involved and the nature of the situation and relationship. The information will be reviewed and any necessary fact-finding or a discussion with the Firm will be conducted. The Government’s determination on disclosure may include acceptance, mitigation, or termination of the initiative.

(d) Failure of the Firm to reasonably exercise due diligence to discover or ensure that neither it nor any of its Senior/Key Research Personnel involved in the subject initiative are participating in a Foreign Government Talent Program or have a Foreign Component with a strategic competitor or

country with a history of targeting U.S. technology for unauthorized transfer may removal and exclusion from further work under this initiative.

(e) The Firm will be required to flow down this requirement to all sub personnel who have personnel designated as Senior/Key Research Personnel as a result of their involvement in the performance of the research.