

Education

Government Grant Recipients May Not Acquire Certain Chinese Telecommunications Products

By: [David B. Robbins](#)

On August 13, 2020, the Office of Management and Budget issued updated guidance applicable to federal grant recipients, including research universities, available [here](#). This guidance states that recipients and subrecipients of federal funds are forbidden from obligating or expending loan or grant funds to procure or obtain (broadly defined) equipment, services, or systems from certain telecommunications companies owned or controlled by the government of the People's Republic of China. These companies include:

- Dahua Company
- Hangzhou Hikvision Digital Technology Company
- Huawei Technologies Company
- Hytera Communications Corporation
- ZTE Corporation

Indirect purchases from these companies are also prohibited. The OMB guidance also imposes significant limitations on purchasing systems that have key components or critical technology from these manufacturers. Additionally, even if recipients purchase these items and services using non-federal funds, these costs must be specifically excluded from awardees' indirect cost pools.

This prohibition is the latest in a series of efforts designed to safeguard US technology. Penalties for noncompliance can be severe, potentially including False Claims Act exposure and debarment from eligibility for future federal grants and assistance.

Please contact us if you would like to discuss grant management issues or receive targeted compliance advice.

Contact Us



David B. Robbins

drobbs@jenner.com | [Download V-Card](#)

Meet Our Team

Practice Leaders

Ishan K. Bhabha

Co-chair

ibhabha@jenner.com

[Download V-Card](#)

Terri L. Mascherin

Co-chair

tmascherin@jenner.com

[Download V-Card](#)

© 2020 Jenner & Block LLP. **Attorney Advertising.** Jenner & Block is an Illinois Limited Liability Partnership including professional corporations. This publication is not intended to provide legal advice but to provide information on legal matters and firm news of interest to our clients and colleagues. Readers should seek specific legal advice before taking any action with respect to matters mentioned in this publication. The attorney responsible for this publication is Brent E. Kidwell, Jenner & Block LLP, 353 N. Clark Street, Chicago, IL 60654-3456. Prior results do not guarantee a similar outcome.