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before the

Committee on Science, Space, and Technology
Subcommittee on Investigations and Oversight and
U.S. House of Representatives

concerning

"Safeguarding Federal Research Funds: The False Claims Act's Role in Combating Grant Fraud"

June 24, 2026

Chairman McCormick, Ranking Member Sykes, and members of the Subcommittee:

I appreciate this opportunity to discuss the U.S. National Science Foundation (NSF) Office of Inspector General's (OIG) use of the False Claims Act (FCA) to combat fraud and misconduct involving federally funded research. Our office is committed to safeguarding federal research funds and to providing rigorous, independent oversight of NSF.

My testimony today will focus on NSF OIG's use of the FCA, how the FCA helps combat inappropriate foreign influence, and the overall impact of grant fraud on the U.S. research enterprise. I will also discuss an area for potential legislative reform to further strengthen the government's ability to safeguard federal research funds.

Background

The U.S. National Science Foundation's Grant-Making Environment

The U.S. National Science Foundation is an independent federal agency created by Congress in 1950 "[t]o promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes." (Pub. L. No. 81-507) With a budget of about $8.75 billion (FY 2026), NSF is the funding source for about 25 percent of all federally supported basic research conducted by America's colleges and universities. Each year, NSF supports about 94,000 researchers, entrepreneurs, students, and teachers. In FY 2025, NSF obligated $8.6 billion in awards.

Making grants to support promising scientific research is a key element of NSF's mission. Proposals for funding are assessed by panels of experts as part of NSF's merit review process. Awards are made primarily as grants to institutions of higher education and to research centers and facilities where scientists, engineers, and students undertake research projects. By law, NSF must devote a small percentage of its funding to research conducted by small businesses. NSF also uses

cooperative agreements and contracts to fund major research equipment such as telescopes, research vessels, Antarctic research sites, and high-end computer facilities.

The awardee institution designates an individual, known as the principal investigator (PI), who is in charge of the research project. Given the important role a PI plays in an award, NSF requires the awardee institution to disclose all research efforts PIs are, or anticipate, working on so that NSF can ensure PIs have enough time to dedicate to their proposed U.S. Government-funded research projects. Typically, the awardee institution is responsible for financial management of the award and for the conduct and results of NSF-funded projects and activities. Therefore, the awardee institution, not the PI, is responsible for all information submitted to NSF throughout the entire award process, from the proposal to the final report.

NSF's grant-making environment has undergone significant changes throughout the past several years. The CHIPS and Science Act of 2022 created several new requirements for NSF and provided NSF with the authority to use new types of award instruments. The U.S. Office of Management and Budget (OMB) also updated the "Uniform Guidance" (Title 2 of the Code of Federal Regulations)—which comprises administrative requirements, cost principles, and audit requirements for federal awards—effective for all federal awards issued on or after October 1, 2024. NSF issued an update to its Award Terms and Conditions to implement the updated Uniform Guidance, which required the more than 2,000 institutions that receive NSF funding to amend their award management environments to comply with the updated federal and NSF guidelines. NSF has implemented further changes to its grant management policies and processes to comply with the Executive Order on Improving Oversight of Federal Grantmaking, issued on August 7, 2025. NSF has strengthened its controls and implemented risk mitigation techniques; however, new award instruments, programs, and regulations present inherent challenges in ensuring the proper stewardship and accountability of award funds.

NSF Office of Inspector General

The Office of Inspector General (OIG) is independent from NSF and reports directly to Congress and the National Science Board. Our mission is to conduct independent and objective audits, inspections, reviews, and investigations of NSF programs and operations, and to recommend policies and corrective actions to promote effectiveness and efficiency and prevent and detect waste, fraud, and abuse. Consistent with our statutory mandate, we have an oversight role and do not determine policy or engage in management activities. Thus, our office is not responsible for managing any NSF programs, nor do we assess the scientific merit of NSF-funded research.

Our office has two main components: the Office of Audits and the Office of Investigations. The Office of Audits conducts audits of NSF's contracts, cooperative agreements, and grants to universities and other research institutions, as well as internal audits of NSF's programs. These audits help ensure that financial, administrative, and programmatic activities are conducted economically, effectively, and in compliance with applicable regulations.

The Office of Investigations is responsible for investigating allegations of wrongdoing involving NSF programs and operations, agency personnel, and organizations that, or individuals who, submit proposals to, receive awards from, or conduct business with NSF. Our criminal investigators are statutory law enforcement officers. As part of the investigative process, we may issue IG subpoenas,

review documents, interview relevant individuals, and conduct search warrants. When appropriate, we refer the results of these investigations to the U.S. Department of Justice (DOJ) for possible criminal prosecution or civil litigation, or to NSF for administrative resolution. We also investigate allegations of research misconduct (plagiarism, data fabrication, and data falsification),[1] whistleblower retaliation, and other administrative violations. Our office uses proactive reviews as a fraud-detection and oversight tool. These reviews involve targeted, data-driven examinations of proposals, awards, and expenditures to identify fraud, misconduct, and noncompliance before they come to the government's attention through traditional complaints or audits.

Overview and Applicability of the False Claims Act (FCA)

The False Claims Act (FCA), 31 U.S.C. §§ 3729–3733, is the federal government's primary civil tool for policing fraud against government programs, including federally funded research. It is also one of the federal government's most powerful anti-fraud tools, recovering nearly $6.9 billion in taxpayer dollars last year alone. The statute imposes liability on any person who knowingly submits, or causes to be submitted, a false claim to the government, with damages equal to three times the government's loss and an inflation-adjusted civil penalty. FCA liability can arise in other situations, such as when someone knowingly uses a false record that is material to a false claim, or improperly avoids an obligation to pay the government. Conspiring to commit any of these acts is also a violation of the FCA.

A key feature of the FCA is its qui tam provision, which allows private citizens to file suit on behalf of the government and share in any resulting recovery. This structure provides critical visibility into complex research environments where misconduct may otherwise go undetected and is a vital tool in our efforts to protect scarce federal dollars and promote NSF's mission.

To violate the FCA, a person must have submitted, or caused the submission of, the false claim (or made a false statement or record) with knowledge of the falsity. In § 3729(b)(1), knowledge of false information is defined as (1) actual knowledge, (2) deliberate ignorance, or (3) reckless disregard. A claim encompasses any request for money or property made directly to the federal government or to a contractor, grantee, or other recipient when federal funds are involved or reimbursed. This broad definition ensures that FCA liability extends to misconduct across the research-funding cycle. In addition, because the requisite burden of proof in a civil context is "preponderance of the evidence" rather than the criminal context's "beyond a reasonable doubt," the FCA is more broadly applicable to the various fact patterns uncovered during investigations.

NSF OIG's Use of the False Claims Act to Combat Grant Fraud

At NSF OIG, we leverage our investigative expertise and in-depth understanding of NSF's programs, operations, and policies to protect federal funds and hold individuals and institutions accountable. My testimony today will focus on three key areas:

1. How we use the FCA to hold individuals and institutions accountable for fraudulent acts.

[1] See NSF's Research Misconduct Regulation 45 C.F.R. § 689.2. Research misconduct is an administrative portfolio separate from other types of investigations and, in itself, would not necessarily result in FCA violations except in infrequent or egregious occasions.

2. How the FCA helps combat inappropriate foreign influence.
3. The impact of grant fraud on the U.S. research enterprise.

Additionally, I will highlight an area for potential legislative reform to further strengthen the FCA.

I. Application of the FCA

The FCA is the cornerstone of our civil enforcement efforts and our principal tool for combating fraud involving NSF funds. The FCA's statutory structure is particularly well-suited to the oversight challenges inherent in grant-making programs. Its treble damages, statutory penalties, and qui tam provisions provide a powerful deterrent, encourage the disclosure of misconduct, and promote accountability throughout the grant ecosystem.

Nearly all of our civil cases rely on the FCA. Some cases settle, while others go to trial. Subjects have been required to pay treble damages, along with substantial fines and penalties. Over the past 10 years, our investigations involving institutions of higher education have resulted in 15 FCA settlements, recovering nearly $9 million for NSF.

NSF's Proposal and Award Policies and Procedures Guide (PAPPG) establishes requirements that award recipients must meet as a condition of receiving and retaining funding. Our FCA cases are typically grounded in allegations that recipients knowingly violated PAPPG requirements and, as a result, submitted or caused the submission of false claims for payment. Table 1 highlights the requirements that most frequently form the basis for our FCA cases.

Table 1. Frequently Used PAPPG Sections

Topic	Requirement / Description	Relevant Authority / PAPPG Section
Pre-award disclosures	All senior personnel must submit disclosures enabling reviewers and NSF program staff to make informed funding decisions.	PAPPG II.C.1; II.C.2
Current & Pending Support (CPS) – Certification	Individuals must certify prior to proposal submission that CPS information is accurate, current, complete, and that they are **not** participating in a malign foreign talent recruitment program.	PAPPG II.C.2.h
Updated CPS prior to funding recommendation	NSF requires all senior personnel to submit **updated CPS** before NSF makes a funding recommendation.	PAPPG II.D.2
CPS content requirements	CPS is used to assess capacity, identify conflicts of commitment, and—consistent with **NSPM-33**[2]—requires	PAPPG II.C.2.h; NSPM-33

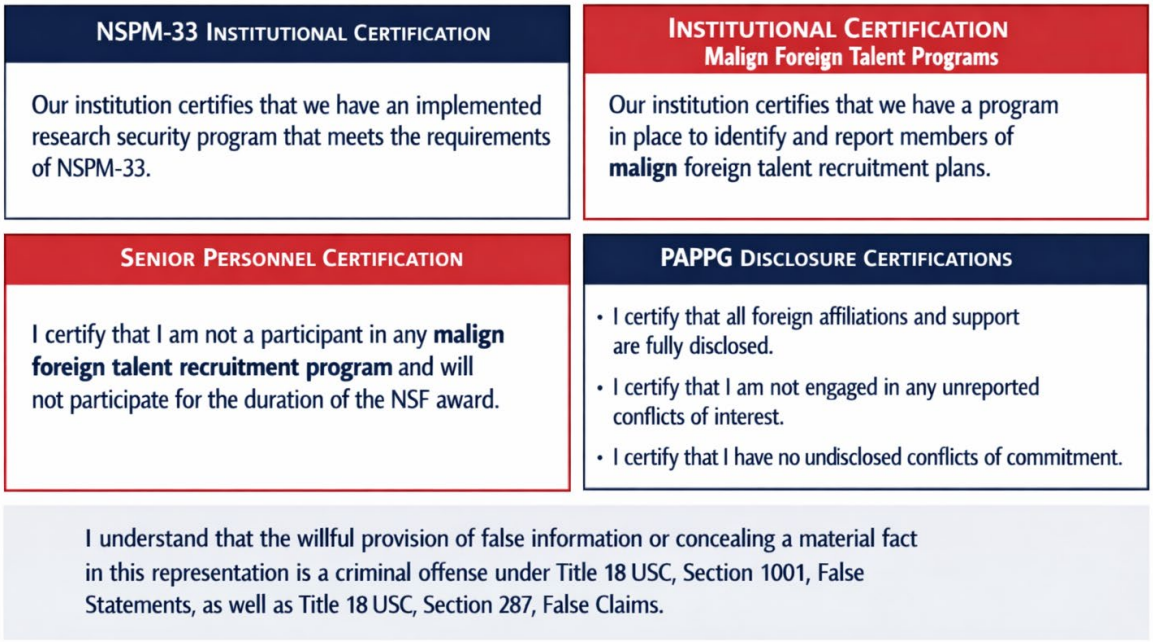
[2] The National Security Presidential Memorandum 33

Topic	Requirement / Description	Relevant Authority / PAPPG Section
	disclosure of contracts with foreign entities, including foreign government-sponsored talent recruitment programs.	
Post-award disclosures	Institutions must submit required post-award disclosures, including updates to CPS and other support.	PAPPG IX.C
Foreign Financial Support (CHIPS Act §10339B)	Institutions of higher education receiving NSF funds must annually disclose all **foreign financial support ≥ $50,000** (gifts or contracts), received directly or indirectly, from a foreign source associated with a **foreign country of concern**.	42 U.S.C. § 19040; PAPPG IX.C
Authorized Organizational Representative (AOR) post-award CPS disclosure	AOR must submit a post-award CPS disclosure **within 30 days** of identifying previously undisclosed current support.	PAPPG IX.C.1
PI/Co-PI CPS updates in project reports	PIs and co-PIs must submit **updated CPS** with project reports if support has changed.	PAPPG IX.C.1
Proposal certifications	The AOR certifies the accuracy and completeness of proposal statements and agrees the organization will comply with award terms and conditions.	PAPPG II.C.1; II.C.2.f
ACM$*drawdown certifications	Awardee certifies that expenditures comply with award terms and conditions and acknowledges that false, fictitious, or fraudulent information may result in **criminal, civil, or administrative penalties**.	PAPPG VII.B; 2 CFR § 200.415

* NSF's Award Cash Management Service (ACM$) is the financial system used by awardee institutions to manage grant payments and post-award financial processing.

NSF also has a robust certification framework, which is instrumental in our enforcement of FCA violations. Please see Figure 1 for examples of certifications.

Figure 1. Examples of Certifications



When institutions fail to exercise appropriate oversight or when administrators sign certifications without verifying their accuracy, the FCA supplies a clear basis for accountability. The FCA's knowledge standard, which encompasses actual knowledge, deliberate ignorance, and reckless disregard, provides a critical enforcement mechanism in the university research environment, where institutions bear affirmative responsibilities to supervise PIs and to ensure the accuracy of certifications submitted to the government.

The FCA's reach is equally significant. It expressly encompasses false statements made to obtain or retain federal funds, including the implied false certifications that are central to many grant fraud matters. The Supreme Court's decision in *Universal Health Services v. Escobar* strengthened this doctrine by holding that liability may attach when a recipient makes specific representations while omitting noncompliance with material statutory, regulatory, or contractual requirements. This principle is especially important in the context of federally funded research, where compliance is demonstrated through ongoing certifications, progress reports, drawdowns, and assurances rather than through invoices. Each such submission implicitly represents compliance with material award conditions, and the FCA provides a remedy when those representations are false. This materiality standard, which asks whether a misrepresentation is "capable of influencing" the government's funding decision, aligns closely with NSF's merit-based award process.

The FCA's remedial provisions further reinforce its deterrent effect. Its treble damages and inflation-adjusted civil penalties impose meaningful consequences in programs where the full impact of fraud, including lost scientific opportunity, distortion of competition, and erosion of public trust, cannot be fully quantified. The statute's qui tam framework empowers whistleblowers to report misconduct that agencies may not detect through routine oversight, particularly when resources are limited, and provides robust protections against retaliation.

Finally, the FCA's broad statutory reach, including its applicability to subrecipients, fills the critical gap between administrative remedies and criminal prosecution. The FCA ensures that civil enforcement remains a meaningful avenue for redress and that the government can be made whole.

Please see Appendix A for a description of selected FCA cases.

II. Research Security and Failure to Disclose Foreign Support

Safeguarding the U.S. research enterprise against threats of inappropriate foreign influence is critical, and the FCA plays a central role in addressing these risks. NSF and other agencies that fund research continue to face challenges from foreign influence, including foreign government talent recruitment programs. Although membership in such programs is not illegal (except in the case of a talent plan sponsored by a country of concern),[3] it is important for NSF to know whether a researcher is a member because some programs may elicit unethical or possibly criminal behavior. Members of these plans are often required to enter into contractual relationships with a foreign government, which strongly favors the foreign government's interests. The foreign government can also exert control over the researchers' intellectual property, the types of research they conduct, and, in some cases, where the research is conducted and who works in the lab.

We have encountered situations where researchers are meeting the requirements of their foreign talent contracts by using U.S. government funds to bring foreign students to this country, using federal funds to travel abroad to do work required by the foreign government, or receiving a salary from federal awards while concurrently working and being paid a salary by their talent plan. Our investigations have also found instances of duplicate funding for the same research, as well as time commitment concerns stemming from a researcher's failure to disclose foreign support. When these actions involve false statements, omissions, or inaccurate certifications in proposals, progress reports, or current and pending support disclosures, they can constitute material false claims. In such cases, the FCA provides the civil enforcement mechanism to recover misspent funds, deter future misconduct, and hold individuals accountable even when the conduct does not rise to the level of criminal prosecution.

Evolution of the Response to Research Security Risks

In 2018, our Office of Investigations was described by the FBI as the "tip of the spear" in tackling foreign influence over the U.S. research enterprise through traditional grant fraud investigations. Our work revealed a consistent pattern: researchers frequently failed to disclose foreign affiliations and sources of foreign support in NSF proposals, despite clear disclosure requirements in the PAPPG. Because universities certify the accuracy of those disclosures, the failure to disclose such support is a potential false statement under the FCA. These disclosures are essential for NSF to assess potential conflicts of interest and conflicts of commitment to make informed funding decisions.

[3] A "foreign country of concern" is a country designated under federal law whose entities are subject to heightened scrutiny and restrictions because of U.S. national security and strategic concerns. Under 10 U.S.C. § 4872(d), the current foreign countries of concern are China, Russia, Iran, and North Korea; federal regulations also permit the designation of additional countries determined to be engaged in conduct detrimental to U.S. national security or foreign policy interests.

In 2019, NSF commissioned an independent scientific advisory group, JASON, to study research security risks. The resulting report, *Fundamental Research Security* (JSR-19-2I), concluded that certain foreign governments, most notably the People's Republic of China, were exploiting the openness of the global research ecosystem while failing to uphold the core values of openness, transparency, and reciprocal collaboration. Following these findings, NSF augmented the PAPPG and implemented new requirements for NSF staff and NSF-funded institutions and researchers.

In 2020, NSF created the position of Chief of Research Security Strategy and Policy. This position was subsequently mandated in the CHIPS and Science Act of 2022, which also required maintaining an office to address these threats. New policies and training were developed and deployed to carefully balance the nuances between the bad actors and authentic collaborations.

In 2021, the White House released National Security Presidential Memorandum 33 (NSPM 33), which established a uniform national policy requiring federal funding agencies to secure intellectual property, standardize disclosure requirements, and implement robust research security protocols. NSPM-33 also mandates the establishment of research security programs at research institutions receiving federal funds, as well as the development of a single, harmonized certification process across all funding agencies.

Implementation of NSPM-33 accelerated following the CHIPS and Science Act. NSF adopted a strict statutory prohibition on funding for researchers who participate in a malign foreign talent recruitment program, as defined by law. Research institutions must certify to NSF that they maintain a program capable of identifying individuals involved in such programs, both at the time of proposal submission and annually. Senior personnel responsible for the design and conduct of the research must also certify throughout the life of the award that they are not participating in a malign foreign talent recruitment program. These programs include any qualifying program in a country of concern.

Examples of FCA Settlements Resulting from Failure to Disclose Foreign Support

Our investigations initially focused on PIs who failed to disclose foreign funding and foreign talent recruitment positions. As our work progressed, we shifted our focus to universities, as we found they were often aware of their faculty members' foreign funding and overseas positions. This change in focus was validated by the U.S. Department of Education's 2020 investigative report, *Institutional Compliance with Section 117 of the Higher Education Act of 1965*.[4] We initiated proactive investigations into several universities to assess their compliance with NSF's disclosure requirements. Thus far, we have found that one university was in full compliance with disclosure requirements, while two universities were not.

In one instance, Stanford University agreed to pay $1.9 million to resolve allegations that it violated the FCA by submitting proposals for federal research grants that failed to disclose current and pending support that 12 Stanford faculty members were receiving from foreign sources. The

[4] Under Section 117 of the Higher Education Act, institutions of higher education must submit semiannual reports to the Secretary of Education disclosing foreign gifts and contracts with a value of $250,000 or more, alone or in combination, within a calendar year as well as any foreign ownership or control of the institution. The report examined whether institutions of higher education were complying with these requirements and sought to promote greater transparency regarding foreign financial relationships with U.S. colleges and universities.

investigation also identified at least one professor who was overcommitted due to substantial undisclosed relationships involving the People's Republic of China. The settlement concerned research grants that Stanford received between 2015 and 2020 from NSF, the National Aeronautics and Space Administration (NASA), and the Departments of the Army, Navy, and Air Force, all of which required grant applicants to disclose all current and pending support received by the institution, PIs, and co-PIs. As a condition of the settlement, Stanford agreed to address issues identified during the investigation that led to many of its disclosure failures.

In another example, the University of Maryland (UMD) agreed to pay $500,000 to resolve allegations that it violated the FCA by failing to disclose foreign support for faculty members who were PIs or co-PIs on five grant proposals submitted to NSF and the Department of the Army. The United States alleged UMD failed to disclose gift funding from Huawei Technologies and Alibaba, both of which were previously identified in the U.S. Department of Education's investigative report as foreign entities known or suspected to present national security risks.

Research Security Collaboration

Our office's collaborative, well-established relationship with NSF has been an important aspect of our response to threats to NSF-funded research from foreign interference. We meet regularly with NSF's Chief of Research Security Strategy and Policy and NSF principals to share issues we have identified in our work, which has strengthened the efforts of both our offices in this area. Based on recommendations made by our office, NSF has taken a range of actions, including award suspensions and terminations and governmentwide suspensions and debarments, against individuals and entities who have failed to disclose participation in foreign talent programs or receipt of foreign funding.

We have also actively collaborated with other federal law enforcement agencies and served as a coordinating focal point within the OIG community to ensure this threat is addressed on a governmentwide basis. For example, in 2018, we stood up two substantive working groups: an effort led by our office and the U.S. Department of Health and Human Services OIG to educate and coordinate outreach to executives within the OIG community, and an agent-level working group, which today has more than 200 members representing more than 30 investigative agencies. The agent-level working group includes members from major funding agencies, such as the U.S. Departments of Health and Human Services, Energy, and Defense, and NASA. Other members represent the United States Attorney's Offices and the DOJ's National Security Division. This group, led by NSF OIG and NASA OIG, educates the investigative and grantee communities; identifies and shares best practices with investigative partners; serves as a hub for subject matter experts to navigate the varied proposal documents specific to different funding agencies and help with identifying material issues; and works to deconflict current investigations and leverage resources for existing cases. The latter actions are especially important, as foreign influence cases often involve researchers who are funded by multiple federal agencies.

Our research security work also includes a robust outreach program intended to help research administrators and PIs learn about problem areas they might not have known existed, so they can take proactive steps to review and improve their own award management environments. Our presentations to the research community at conferences, workshops, and webinars include ways to combat grant fraud, case studies, common audit findings, and emerging issues.

III. The Impact of Grant Fraud

Fraud diverts scarce federal funds away from deserving scientists and inflicts direct harm on the scientific community. NSF funds fewer than one in five proposals; in FY25, NSF funded only 8,378 of the 43,533 proposals reviewed through the competitive merit review process. Every dollar obtained through deception or otherwise misused is a dollar that could have supported a meritorious proposal submitted by someone following the terms and conditions.

In an environment this competitive, the consequences of fraud are not abstract. The principles that govern these awards operate largely through an integrity-based system in which NSF relies on individuals and institutions to provide complete, accurate, and truthful information. The decision to award a grant following the meritorious evaluation of the proposal is based solely on the PI's and institution's certifications that they have complied with all terms and conditions. NSF's ability to make informed funding decisions depends on this trust-based model. When an awardee conceals information or misrepresents commitments, the harm is twofold: the government is misled, and the research community loses opportunities that should have gone to applicants complying with the rules.

The consequences are not hypothetical. In one recent matter, a university that is ranked within the top two percent of NSF-funded institutions submitted a proposal in which it did not properly disclose current and pending support. Two highly rated proposals from institutions that historically received less NSF support were in the same competition; however, the top-ranked university's proposal, which did not disclose current and pending support, was ultimately selected for funding. That omission deprived NSF of the ability to assess material considerations, including overcommitment and award duplication, thereby increasing the likelihood of awarding grants at the expense of institutions that receive far less NSF support.

Substantive failures to disclose current and pending support undermine the integrity of NSF's merit-review process, put limited grant funds at risk, and prevent deserving recipients from being funded.

IV. Potential Legislative Reform

In multiple FCA and whistleblower matters, state universities and other public-institution grantees have argued they cannot be held liable for knowingly violating award terms and conditions because they are arms of the state. This defense, grounded in "sovereign immunity,"[5] has repeatedly impeded enforcement and created inconsistent accountability across federally funded research institutions.

According to NSF's National Center for Science and Engineering Statistics, over half of the top 30 largest federal research grant recipients are public universities.[6] Although private educational institutions are fully liable under the FCA, public institutions may invoke sovereign immunity even when they knowingly submit false statements or conceal material information.

[5] The Eleventh Amendment has been interpreted to mean that states and state institutions generally cannot be sued in federal court by private parties or foreign countries unless the state agrees to it. This broader protection is referred to as state sovereign immunity.

[6] Workbook: NSF by Numbers

To mitigate this enforcement barrier, our office has engaged with agency counterparts to evaluate administrative options, including the incorporation of an explicit waiver of sovereign immunity into the terms and conditions of NSF grants. A uniform, governmentwide waiver would ensure that all grantees, public and private, are subject to the same fraud-deterrence framework and would close a significant enforcement gap.

Congress has long used funding conditions to advance important federal interests. A targeted amendment clarifying that acceptance of federal grant funds constitutes a knowing waiver of sovereign immunity for purposes of the FCA would fit squarely within that tradition. Such a provision would ensure all grantees are subject to the same legal framework, prevent public institutions from avoiding liability for knowingly submitting false claims, and protect taxpayer investments and the integrity of competitive research funding.

Conclusion

In closing, safeguarding taxpayer-funded research is essential to advancing U.S. scientific and technological leadership and sustaining the innovation that drives our nation's economy. NSF's investments provide the foundation for the technological advances that strengthen our economy, promote national security, and help prepare us for the challenges of the future. To fulfill its mission, NSF must invest its research funds effectively and efficiently while maintaining the highest level of accountability over taxpayer dollars. We will continue to rely on the FCA as our principal tool for addressing fraud involving NSF funds, and we will use the full range of our investigative authorities to safeguard the integrity of NSF's operations and its critical investments in the scientific enterprise.

This concludes my statement. I would be happy to answer any questions.

APPENDIX A. SELECTED EXAMPLES OF NSF OIG FALSE CLAIMS ACT CASES

Northern District of Georgia | Georgia Tech and Georgia Tech Research Corporation pay $90,000 to resolve allegations of violations of the False Claims Act | United States Department of Justice

Synopsis of Fraud Scheme: A University professor failed to abide by Industry-University Cooperative Research Center (IUCRC) terms and conditions under an NSF grant.

Case Summary:

The Georgia Institute of Technology and Georgia Tech Research Corporation (GTRC) agreed to pay the United States $90,000 to resolve allegations that they violated the False Claims Act. Georgia Tech and GTRC failed to detect and prevent the submission of false claims to NSF concerning the number of industry members participating in the Center for Health Transformation and the amount of membership fees paid or received on membership certifications for the award. Industry participation is a core component of the IUCRC model.

Western District of Washington | DOJ and University of Washington resolve claims researcher falsified grant application | United States Department of Justice

Synopsis of Fraud Scheme: A University professor falsified documentation provided to the National Science Foundation associated with a grant.

Case Summary:

The University of Washington agreed to pay the United States $801,756.74 to resolve allegations arising from the False Claims Act. The United States alleged that the PI on the NSF award submitted falsified proposals and annual reports to NSF, fictitiously detailing personnel associated with the award, and work that was conducted in furtherance of the NSF award.

Eastern District of Virginia | University of Virginia Agrees to Settle Claims Associated with Federal Grants | United States Department of Justice

Synopsis of Fraud Scheme: University did not apply cost savings from significant rebates when charging materials and supplies expenses to federal research grants.

Case Summary:

The University of Virginia (UVA) agreed to pay the United States $1 million to settle claims that it did not properly charge federal grants and contracts for supplies and materials at the actual prices paid. UVA received certain rebates and credits from vendors used to purchase supplies and materials charged to federal grants and contracts, and did not apply the savings to the costs charged to the government. This case was jointly investigated with NASA OIG, HHS OIG, Army CID, DOE OIG, ED OIG, and Commerce OIG.

Middle District of Pennsylvania | Pennsylvania State University to Pay $151,000 to Resolve Potential False Claims Liability | United States Department of Justice

Synopsis of Fraud Scheme: University used federal grant and contract funds on expenses that were not allocable to the awards where the expenses were charged.

Case Summary:

Pennsylvania State University (PSU) agreed to pay $151,000 to resolve claims that it charged expenses to federal awards based on funding considerations rather than the project to which the expenses actually related. This case was jointly investigated with NASA OIG, DCIS, NCIS, AFOSI, and DOE OIG.

Southern District of Texas | Rice University pays to resolve claims it defrauded federal grant program | United States Department of Justice

Synopsis of Fraud Scheme: Unallocable and unallowable expenses charged to research grants.

Case Summary:

William Marsh Rice University (Rice) agreed to pay $3.7 million to resolve claims that it misused funds budgeted for graduate student research by using them to pay graduate students to conduct unrelated teaching activities. From at least 2006, the university knowingly submitted requests for payment that included stipend expenses for graduate students performing teaching duties unrelated to the research grants in violation of the federal cost principles of allowability and allocability. Each time Rice submitted a proposal and request for payment, it certified that it was complying with the award terms and conditions, which included allocability and allowability requirements.

Eastern District of Pennsylvania | Drexel University to Pay $189,062 to Resolve Potential False Claims Liability | United States Department of Justice

Synopsis of Fraud Scheme: Professor used the university purchase card for personal expenses.

Case Summary:

Drexel University agreed to pay $189,062 to resolve potential False Claims Act liability for a former professor's personal purchases made with his university purchase card, which were charged to several Federal grants. The university's internal auditors identified the personal purchases, many of which were made at gentlemen's clubs and sports bars. This case was jointly investigated with DOE OIG and NCIS. The Department of the Navy debarred the professor government-wide for six months.

Western District of Wisconsin | University to Pay $1.5 Million to Settle False Claims Act Allegations | United States Department of Justice

Synopsis of Fraud Scheme: University failed to credit all vendor rebates and discounts associated with its Federal award expenditures to either the awards incurring the expenditures or any other accounts benefiting the United States, resulting in overcharges to the United States.

Case Summary:

The University of Wisconsin-Madison agreed to pay $1.5 million to settle claims that it received rebates and discounts on purchases for Federal awards through various arrangements with its vendors and through its status as a state government, but did not report or directly credit those rebates and discounts to the Government. This case was jointly investigated with HHS OIG, DOE OIG, NASA OIG, DCIS, and DCAA.

District of Puerto Rico | University of Puerto Rico Settles Misuse of Grant Funds Case | United States Department of Justice

Synopsis of Fraud Scheme: The university failed to maintain a time and effort system capable of ensuring salary costs were charged accurately to federal grants.

Case Summary:

The University of Puerto Rico (UPR) agreed to pay $1.77 million to settle allegations that it failed to maintain a time and effort system capable of ensuring that salary costs were charged correctly and appropriately to various grants. UPR submitted numerous false certifications attesting to its compliance with the terms and conditions of federal grants, which included specific requirements for documenting time and effort. This case was jointly investigated with NASA OIG and DOE OIG.

Southern District of Texas | Texas A&M Research Foundation Pays $750,000 to Settle Claims Alleging Improper Charges to Federal Grants | United States Department of Justice

Synopsis of Fraud Scheme: Subjects fostered a 'corporate culture' that tolerated, if not encouraged, widespread indifference to or disregard of federal grant regulations, which was aggravated by inadequate administrative and compliance mechanisms.

Case Summary:

The Texas A&M Research Foundation (TAMRF) agreed to pay $750,000 to resolve claims that it inflated grant expenses by overcharging salaries, shifting costs between grants, and improperly charging grants for expenses not incurred. These allegations were raised by relators who were employees of TAMRF. This case was investigated by OIGs from NSF, NASA, DOD, HHS, DOE, ED, and DOT, and representatives from DCAA.