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After FCA Settlement, Stanford to Adopt 'Best Practices' for Disclosures

By Theresa Defino

Last month, the Department of Justice (DOJ) announced a \$1.9 million False Claims Act (FCA) settlement with Stanford University over its alleged failures to report foreign support for a dozen investigators who collectively had 23 research awards from five federal agencies.^[1]

Assistant U.S. Attorney Thomas Corcoran, chief of the Civil Division for the District of Maryland who co-led the investigation for DOJ, spoke extensively to *RRC* about the settlement and the issues that led to it (see story, p. 1).^[2]

In addition to the payment, the settlement calls for Stanford to work with the National Science Foundation (NSF) "Office of the Chief of Research Security Strategy and Policy on best practices in the area of gifts funding research projects and current and pending support disclosures to address concerns identified by the United States."^[3]

Corcoran said Stanford was to be applauded for these new efforts, which he said were proposed jointly by NSF and the university and are not part of a formal corrective action plan.

RRC also contacted Stanford for comment on the settlement, which followed a three-year investigation, and posed a series of related questions—some of which were answered. For example, spokesperson Dee Mostofi did not respond to *RRC*'s question about whether Stanford took any actions against the investigators whose foreign ties were not reported (the settlement does not identify any investigators by name).

Nor did Mostofi address *RRC*'s question as to why there were no NIH awards among those cited in the settlement, which encompassed funding from the Army, Navy, Air Force, NASA and NSF. (Corcoran also had no comment on this question.)

When asked what changes Stanford had made or would be making following the settlement, Mostofi pointed to an article posted in August on the university's website, which reviews some steps Stanford has taken and ongoing plans to improve regulatory compliance.^[4]

The article does not refer to the settlement (which occurred later) nor issues related to foreign disclosures but mentions several actions intended to "provide better support in the areas of disclosures at the time of grant submission, export control rules, research security, and conflict of interest/commitment procedures."

Stanford offered the following statement on the settlement:

"We are pleased to have resolved this matter and remain firmly committed to supporting our researchers in meeting federal compliance responsibilities as they pursue their important work. Stanford takes seriously the threat of foreign governments seeking to undermine U.S. national security. The University strives

to be a leader in the research compliance area and is always actively seeking opportunities to enhance our policies and systems to ensure our faculty meets the expectations of our government partners and the public. We treat compliance matters as a high priority and will continue working with the National Science Foundation and other federal funding agencies on best practices in this area.

Over the last four years, our research security policies at Stanford have evolved in line with changes in federal rules. At the same time, we have continued to uphold our core values of academic freedom, global engagement, and openness. Our efforts include enhancing policies, launching new training opportunities, improving [information technology] systems, and strengthening tools and guidance for faculty.”

1 U.S. Department of Justice Office of Public Affairs, “Stanford University Agrees to Pay \$1.9 Million to Resolve Allegations that it Failed to Disclose Foreign Research Support in Federal Grant Proposals,” news release, October 2, 2023, <https://bit.ly/3tG6N9N>.

2 Theresa Defino, “DOJ: Stanford FCA Case Involved Failures to Disclose Foreign Support from Seven Countries,” *Report on Research Compliance* 20, no. 11 (November 2023).

3 Stanford University, Department of Justice settlement agreement, <https://www.justice.gov/media/1317581/dl?inline>.

4 Stanford University, *Stanford Report*, “Support for researchers in a changing landscape,” August 30, 2023, <https://bit.ly/3S8XeKn>.