

# **Stanford University Agrees to Pay \$1.9 Million to Resolve Allegations That it Failed to Disclose Foreign Research Support in Federal Grant Proposals**

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**For Immediate Release**

Office of Public Affairs

Stanford University, located in Palo Alto, California, has agreed to pay \$1.9 million to resolve allegations that it violated the False Claims Act 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 settlement relates to research grants that Stanford received between 2015 and 2020 from five federal agencies: the Departments of the Army, Navy and Air Force, the National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF). All of these agencies require grant applicants to disclose all current and pending support received by the institution and the principal investigators (PIs) and co-PIs on the grant proposals. Current and pending support is defined as all resources from whatever source — including foreign government sources — that are made available to researchers in support of and/or related to their research endeavors.

The United States alleged that on 16 grant proposals submitted to the Army, Navy, NASA and NSF, Stanford knowingly failed to disclose current and pending foreign funding that 11 Stanford PIs and co-PIs had received or expected to receive in direct support of their research. The United States further alleged that Stanford knowingly failed to disclose to the Army, Air Force and NSF that a Stanford professor received research funding in connection with his employment at Fudan University, a foreign public university and from a foreign government's national science foundation. In connection with the settlement, Stanford has agreed to work with the NSF Office of the Chief of Research Security Strategy and Policy on best practices in the areas identified by the United States.

"Universities and their researchers must disclose all sources of current and pending support, including any foreign support, in federal research grant applications," said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department's Civil Division. "The department will

continue to ensure that grant applicants submit complete and truthful disclosures, so the government has full transparency into the applicant's funding sources."

"Complete and accurate disclosures by principal investigators and universities of current and pending support are essential to federal agencies that make decisions on awarding federal grants," said U.S. Attorney Erek Barron for the District of Maryland. "Those individuals and universities that knowingly fail to do so skew the grant awarding process in their favor and will be held accountable."

"The National Science Foundation awards billions of dollars in grants each year to promote promising scientific research. NSF and other federal funding agencies rely on grant recipients to accurately track the commitments of their personnel and fully disclose all funding sources. Stanford failed to disclose foreign funding in grant proposals submitted to multiple federal agencies. Full and accurate disclosures are essential to protect the interests of American taxpayers and ensure that federal funds are properly awarded to deserving institutions," said NSF Inspector General Allison C. Lerner. "We thank the Department of Justice, U.S. Attorney's Office for the District of Maryland and our investigative partners for their work in protecting the integrity of federal research."

"This settlement is a prime example of our agents and partner law enforcement agencies pursuing those who do not disclose foreign government ties when entering into contracts with the U.S. Army," said Acting Special Agent in Charge Michael Curran of the Department of the Army Criminal Investigation Division, Major Procurement Fraud Field Office. "It is imperative that when someone partners with the U.S. Army, they comply with all their obligations."

"The failure of U.S. universities to disclose current or pending awards with foreign entities on research grant proposals submitted to the U.S. government as required by law has the potential to threaten government interests," said Assistant Director Thomas Cannizzo of the Naval Criminal Investigative Service (NCIS) National Security Directorate. "Through the efforts of the National Science Foundation with support from NCIS and additional law enforcement partners, sensitive research funded by the U.S. military was protected from disclosure to foreign interests."

"Protecting research and development programs funded by taxpayer dollars is a top priority for us," said Acting Assistant Inspector General for Investigations Michael Graham of the NASA Office of Inspector General (NASA-OIG). "The settlement agreement with Stanford University is the result of a joint effort to guard against fraud, waste and abuse in government grants. This case demonstrates the commitment of NASA-OIG and our partners to work with the U.S. Attorney's Office to safeguard public funds."

"This settlement demonstrates the Office of Procurement Fraud's determination and commitment to identify and hold accountable those who conceal foreign affiliations to obtain research funding," said Special Agent in Charge William W. Richards of the Air Force Office of Special Investigations (AFOSI). "AFOSI, along with our law enforcement and prosecutorial partners, will continue to work tirelessly to protect the integrity of the federal grant process."

The resolution obtained in this matter was the result of a coordinated effort between the Justice Department's Civil Division, Commercial Litigation Branch, Fraud Section and the U.S. Attorney's Office for the District of Maryland, with assistance from Army CID, NCIS, AFOSI, NSF OIG, NASA OIG and the Department of Education.

The matter was investigated by Trial Attorney Sarah E. Loucks of the Civil Division's Commercial Litigation Branch (Fraud Section) and Assistant U.S. Attorney Thomas F. Corcoran for the District of Maryland.

*The claims resolved by the settlement are allegations only and there has been no determination of liability.*

## [Settlement](#)

*Updated October 2, 2023*