

Report on Research Compliance Volume 16, Number 10. October 01, 2019 After Settlement, Shaw University Implements FCA Compliance Plan

By Theresa Defino

Shaw University, a small, private Christian college in Raleigh, North Carolina, is among the few academic institutions in recent years to enter settlement agreements with the National Science Foundation (NSF) Office of Inspector General (OIG) over allegations of False Claims Act (FCA) violations related to research grants.

RRC learned of Shaw's settlement, which includes a five-year compliance plan and a payment of \$251,987—of which only \$80,329 is restitution—by filing a federal Freedom of Information Act (FOIA) request to the OIG. With the assistance of the Department of Justice (DOJ), OIG provided a copy of the settlement to RRC.

Signed in December, the settlement calls for the creation of a compliance committee and the naming of a compliance official among its requirements. It is the second FCA settlement Shaw entered in 2018; the other was announced just a month earlier and dealt with funds for dorm construction allegedly obtained through falsified bids. In contrast to the NSF OIG settlement, the construction-related settlement, which included a payment of more than \$300,000, was made public at the time.

Two Shaw University officials were willing to discuss the OIG settlement with RRC, although neither had direct knowledge of the underlying events, which the agency said related to two grants expended from September 2007 through August 2014. Shaw did not admit to wrongdoing as part of the settlement, and one of the officials told RRC the university remains “in good standing” with NSF. Their comments included discussion of changes Shaw implemented as a result of the settlement beyond those mandated by the terms.

RRC filed the request based on a notation in the March semiannual report that OIG issued to Congress summarizing its recent activities. That report, which covered the six-month period ending March 31, included a single finding of misconduct, a significant decline from historical totals (“Research Misconduct Twist: False Data Came From Phantom Colleague at Fictitious Meeting,” RRC 16, no. 7). The report also describes audit findings, recoveries and settlements, typically without revealing the names of investigators and institutions involved.

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