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External Audits, Yearly Reports Part Of Shaw U.'s FCA Compliance Plan

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In December, Shaw University settled allegations of False Claims Act (FCA) violations with the National Science Foundation (NSF) Office of Inspector General (OIG). For the first time, *RRC* is publishing details of the settlement, which were obtained through a federal Freedom of Information Act request (“After Settlement, Shaw University Implements FCA Compliance Plan,” *RRC* 16, no. 10).

In addition to restitution of \$80,329 and penalties of \$251,987, Shaw agreed to establish a compliance program within 180 days of the December 2018 settlement. The program includes a compliance officer, compliance committee, various written policies, training and the use of an external auditor to annually review Shaw’s adherence with the terms of the settlement agreement for five years. The audits themselves are to be completed according to a plan submitted to OIG for approval.

First-time and annual training for Shaw employees as well as its contractors and subrecipients are also addressed under the compliance plan, with a minimum length to be followed.

Shaw is required to “institute and maintain a comprehensive training program designed to ensure that each relevant employee is aware of all applicable laws, regulations, and standards of conduct that such individual is expected to follow with regard to NSF awards, and the consequences both to the individual and Shaw University that will ensue from any violation of such requirements.”

Subawardees Also Must Ensure Training

The university is required to provide “at least two hours of initial training,” which must touch on “the contents of Shaw University’s Compliance Program as well as the relevant award requirements.” This is to be followed by “compliance training of at least two hours on an annual basis.”

Further, OIG wants to see a “schedule and topic outline of the training” from Shaw as part of its annual report.

Regarding subawardees, Shaw must “require contractors and subrecipients under its NSF awards to provide comprehensive compliance training designed to ensure that each officer and employee who is responsible for the design, conduct, administration, or other activity funded or supported by NSF awards is aware of all applicable laws, regulations, and standards of conduct that such individual is expected to follow with regard to NSF awards, and the consequences both to the individual and the contractor/subrecipient that will ensue from any violation of such requirements.”

The university agreed to implement the compliance program “to ensure compliance with all laws, regulations, terms, and conditions applicable” to NSF awards, “and to demonstrate Shaw University’s commitment to the prevention of fraud, false statements, and misuse of funds related to NSF awards to Shaw University.”

The program is to be “based upon an assessment of the risk of such unlawful activities, have adequate financial

and human resources, and be maintained so as to ensure that Shaw University and each of its relevant employees maintain the integrity required of a recipient of NSF awards.”

Shaw is required under the plan to make employees and subcontractors aware of OIG’s fraud hotline program. It must “prominently display NSF OIG’s fraud hotline poster in common work areas in which Shaw University personnel are performing work under any NSF award; post on its website an electronic version of the NSF OIG’s fraud hotline poster in a manner easily accessible to Shaw University’s relevant employees; and request that any subcontractor working on an NSF award post the NSF OIG’s fraud hotline poster in its common areas.”

To enable workers to anonymously disclose possible wrongdoing, government officials also required Shaw to “establish and maintain a confidential disclosure mechanism” and tell workers about it during their training. Further, Shaw is to review all disclosures and “ensure that appropriate follow-up is conducted of credible disclosures.” OIG wants the university to include in its annual reports a “summary of communications received under the confidential disclosure program related to NSF awards, and the results of the internal review and follow-up of such disclosures.”

This report of deficiencies should be submitted to OIG yearly and include “a certification by Shaw University’s Compliance Officer that all deficiencies have been addressed to ensure Shaw University’s compliance with all requirements of the Compliance Program.”

Outside of these reports, Shaw is required to “promptly” handle, and report to OIG, material violations or weaknesses, defined as something that “has a significant adverse impact on the administrative, financial, or programmatic aspects of NSF awards, or constitutes a possible violation of law. “

This must be reported to OIG “within 30 days of learning of it, and provide to NSF OIG a written summary of the actions taken to correct it.” However, if Shaw is “unable to remedy the material violation or weakness within 30 days,” it must alert OIG “immediately, provide regular status reports thereafter until the material violation or weakness is cured, and provide to NSF OIG a written summary of the actions being taken to correct it.”

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