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DOJ: Avoiding False Statements Means Building a 'Defensible' Disclosure Process

By Theresa Defino

Institutions with federal awards should review the recent settlement agreements between the Department of Justice (DOJ) and Van Andel Research Institute (VARI) over principal investigators' foreign associations, as there are "lessons here to learn about how to avoid these situations," according to Adam Townshend, the assistant U.S. attorney for the Western District of Michigan who represented the government in the two settlements.

These cases also show "the potential consequences for the actual institutions themselves, particularly if they are or should be aware of compliance issues and they don't adequately investigate them," Townshend told *RRC* in an extensive interview. "That's really fundamentally one of the messages that we want to get across here."

VARI's new \$1.1 million settlement also includes increased oversight by NIH and restrictions on awards for at least one year.^[1]

Townshend, who has been with the district office for 11 years, said he conducted his first grant fraud investigation eight years ago. VARI's settlements are the office's only two to date to involve foreign support or "influence." Townshend recommended that institutions not lose sight of their overall responsibilities for award reporting.

"The foreign influence label gets a lot of attention, but at the end of the day, it's important to remember that these cases are really about either making inaccurate or incomplete disclosures to funding agencies," Townshend said. "In terms of the mechanics of these cases and any issues and the compliance problems that they generate, it really is pretty simple. You have to make sure what you're telling NIH is accurate and complete."

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