

Report on Research Compliance Volume 17, Number 3. February 20, 2020

In This Month's E-News: March 2020

By Theresa Defino

◆ **Despite its earlier agreement to repay just \$5,442 in costs questioned by the National Science Foundation (NSF) Office of Inspector General, the University of Minnesota (UMN) will repay all of the \$73,260 flagged by OIG auditors,** NSF said in a Feb. 7 audit resolution.^[1] As part of the audit, issued in April, auditors “tested more than \$4 million of the \$230.3 million of costs claimed to NSF” on awards expended from March 1, 2014, to Feb. 28, 2017. Auditors found \$65,973 of “unallocable and/or unreasonable expenses against expired awards, \$6,995 of unsupported expenses” and “\$292 of unallowable costs,” of which \$275 was for alcohol. UMN had pushed back against the majority of the repayment request, stating that \$65,973 of costs consisted of \$56,397 to “replace a 12-camera motion tracking system to expand research” and \$9,576 in consulting services that OIG said did not benefit the awards they were charged against because of the timing of the expenditures. At the time the audit was issued, UMN had already repaid \$5,442, which included costs for the alcohol, an expenditure it said was due to “human error.”

But as a result of the resolution process, NSF said UMN now agrees “with the findings and questioned costs identified in the audit report.” As a result, “NSF’s management decision is to disallow all questioned costs in the amount of \$73,260.” NSF said it accepted “UMN’s stated corrective actions as responsive to the compliance and internal control recommendations related to the audit findings and considers all audit report findings and questioned costs resolved. Upon verification that repayment of all disallowed costs has been completed, the audit report will be fully closed out by NSF.” (2/13/20)

◆ **A recent National Science Board (NSB) meeting was the final to feature NSF Director France Córdoba, as she is set to conclude her six-year term at the end of this month.** Late last year, President Trump announced^[2] his intention to nominate NSB member Sethuraman “Panch” Panchanathan to succeed her. Currently executive vice president of knowledge research enterprise and chief research and innovation officer at Arizona State University in Tempe, Panchanathan founded ASU’s Center for Cognitive Ubiquitous Computing. He has served on the NSB since 2014. (2/13/20)

◆ **With a promise of “more attention this year, both inside and outside NIH” to the issue of boosting funding for “at-risk” investigators,** Michael Lauer, deputy director for extramural research, recently shared mixed results of earlier efforts.^[3] NIH defines at-risk investigators as those “who developed meritorious applications who would not have significant NIH research funding if the application under consideration is not awarded.” Other categories are early stage, which means “no prior support as a principal investigator on substantial independent research award and within 10 years of a terminal research degree or end of post-graduate clinical training”; “other new,” defined as no prior support but not considered early stage; and established, which means having “current substantial research support with at least one future year of support irrespective of the results of the current year’s competition(s).” (2/13/20)

◆ **Responding to the request for comments from the Office of Science and Technology Policy (OSTP), the Association of American Medical Colleges (AAMC) is recommending that the government raise the amount of**

“significant financial interests” that must be reported to institutions from \$5,000 to \$10,000. In its 10–page comment letter,^[4] AAMC also said institutions should be required to inform funding agencies of harassment issues “(1) once the institution has concluded its investigation and found an individual has violated institutional [or] federal policy, or 2) if the institution takes an action that affects the research, such as removing an investigator from the laboratory or the campus,” among other recommendations. OSTP published a notice in November seeking ways to strengthen the U.S. research enterprise that include actions federal agencies can take in partnership with private industry; the comment deadline was Dec. 23. (2/6/20)

◆ **Charles Lieber, chairman of Harvard University’s Department of Chemistry and Cell Biology, was one of three Boston–area individuals charged Jan. 28** for what Department of Justice (DOJ) and FBI officials said were repeated “lies” about the fact that they were “either directly or indirectly working for the Chinese government, at our country’s expense.”^[5] Lieber, who DOJ said had been the recipient of \$15 million in NIH and Department of Defense funding, was charged with one count of making a false statement. He is alleged to have had a contract with China’s Thousand Talents Plan or Program from 2012 to 2017, which at some point paid him \$50,000 per month, provided reimbursement of living expenses of \$158,000, and “awarded him more than \$1.5 million to establish a research lab” at Wuhan University of Technology (WUT). “The complaint alleges that in 2018 and 2019, Lieber lied about his involvement in the Thousand Talents Plan and affiliation with WUT. On or about April 24, 2018, during an interview with investigators, Lieber stated that he was never asked to participate in the Thousand Talents Program, but he ‘wasn’t sure’ how China categorized him,” according to the U.S. Attorney’s Office for the District of Massachusetts.

To date, DOJ has not publicly implicated Harvard in a False Claims Act case, but the agency said “Lieber caused Harvard to falsely tell NIH that Lieber...had no formal association with WUT” and that he “is not and has never been a participant” in the Thousand Talents Plan. Published reports said Harvard had placed Lieber on administrative leave. Also indicted but not arrested because she is in China is Yanqing Ye, a Chinese national and a student at Boston University from 2017 to 2019, who was charged with one count each of visa fraud, making false statements, acting as an agent of a foreign government and conspiracy. She is allegedly a lieutenant in the People’s Liberation Army and completed “numerous assignments from PLA officers such as conducting research, assessing U.S. military websites and sending U.S. documents and information to China.”

The third individual, Zaosong Zheng, was arrested in December and has been held since Dec. 30 after he was discovered at Logan International Airport “attempting to smuggle 21 vials of biological research to China. On Jan. 21, 2020, Zheng was indicted on one count of smuggling goods from the United States and one count of making false, fictitious or fraudulent statements,” DOJ said. Joseph Bonavolonta, FBI Boston Division special agent in charge, said Zheng had been in the United States “on a visa sponsored by Harvard University.” During this time, he also was “paid a stipend by the Chinese Scholarship Council while also working at Beth Israel Deaconess Medical Center conducting cancer research until we arrested him last month.” According to Bonavolonta, the FBI “is now investigating China-related cases in all 50 states, including right here in the Boston Division.” (1/30/20)

◆ **The National Science Foundation’s updated Proposal & Award Policies & Procedures Guide (PAPPG) has been issued and will go into effect this summer**, NSF announced Jan. 24.^[6] In addition, NSF will hold a webinar next month to explain revisions. As NSF explained, the PAPPG “details NSF’s proposal preparation and submission guidelines, and provides guidance on managing and monitoring the award and administration of grants and cooperative agreements made by the Foundation.” The new version, “effective for proposals submitted or due, and awards made, on or after June 1,” was significantly delayed compared to prior years. Issued in draft form in May, the comment period ended in July, a typical schedule that usually allows for a final PAPPG to be in effect at the start of a new year and within 90 days of release. In this case, however, NSF is allowing organizations until June 1 to meet requirements. (1/30/20)

- 1 NSF, “Reference: OIG Report No. 19-1-006,” February 7, 2020, <http://bit.ly/37E1IxQ>.
- 2 White House, “President Donald J. Trump Announces Intent to Nominate Individual to Key Administration Post,” December 19, 2019, <http://bit.ly/2vK6PQo>.
- 3 NIH, “What’s Happening With ‘At-Risk Investigators?’” *Open Mike*, February 7, 2020, <http://bit.ly/39GP3LX>.
- 4 AAMC, “AAMC Submits Comments to the White House OSTP on the American Research Environment,” news release, January 31, 2020, <http://bit.ly/2SAwRQr>.
- 5 Department of Justice, United States Attorney’s Office for the District of Massachusetts, “Harvard University Professor and Two Chinese Nationals Charged in Three Separate China Related Cases,” January 28, 2020, <http://bit.ly/2V13V3U>.
- 6 NSF, “Issuance of the Proposal & Award Policies & Procedures Guide (PAPPG) (NSF 20-1),” accessed February 17, 2020, <http://bit.ly/2uaEL7U>.

This publication is only available to subscribers. To view all documents, please log in or purchase access.

[Purchase Login](#)