

University of Connecticut Agrees to Pay \$2.5 Million to Settle False Claims Allegations

On January 6, 2006, the University of Connecticut (UConn) agreed to pay \$2.5 million in damages and penalties to settle civil allegations that the university submitted false claims on approximately 500 Federal grants awarded to UConn from July 1997 through October 2004.

The Federal Government awarded the grants for work to be performed by two of UConn's specialized service facilities: the Environmental Research Institute and Booth Research Center. The grant awards were made by numerous Federal agencies including the U.S. Department of Defense, the National Science Foundation, the National Aeronautics and Space Administration, and EPA.

The Government specifically alleged that UConn submitted grant applications containing incorrect or overstated information about anticipated expenses for the Environmental Research Institute and Booth Research Center. The Government further alleged that UConn charged certain expenses that were not properly chargeable and submitted invoices to the Government for three types of improper grant expenses. First, the Government alleged that UConn did not utilize a proper basis for setting and regularly updating its billing rate structure, as required by Federal law. UConn's failure to revise and appropriately set its billing rate structure resulted in it submitting numerous false claims to the United States for payment. Second, the Government alleged that UConn failed to follow Federal law for calculating how extra compensation should be paid to UConn faculty members for additional work on grant-supported research activity at the Environmental Research Institute and Booth Research Center, and that improper excess charges were therefore charged to the grants. Finally, the Government alleged that certain of the grants required cost sharing or matching by UConn and that the university failed to provide the requisite cost sharing or matching.

UConn has also entered into a compliance agreement with the Federal Government that requires the university to make significant changes in its grant administration program. The changes include implementing written policies regarding complying with Federal grant laws and regulations, implementing additional training programs for grant administrators, and submitting an annual report to the Government detailing UConn's compliance efforts. By July 1, 2006, UConn must certify that it has in place an adequate compliance program for preventing fraud and false billings to Federal grants.

This investigation was conducted jointly with the Defense Criminal Investigative Service, the Defense Contract Audit Agency, and the U.S. Army Criminal Investigation Command. (Case Cost: \$259,416)