

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Department of the Army (Army), the Department of the Navy (Navy), the Department of the Air Force (Air Force), the National Aeronautics and Space Administration (NASA), and the National Science Foundation (NSF) (collectively, the United States); and The Board of Trustees of the Leland Stanford Junior University (Stanford), through their authorized representatives. Collectively, all of the above will be referred to as “the Parties.”

RECITALS

A. Stanford is a private university in Palo Alto, California that receives research grant funding from the Army, Navy, Air Force, NASA, and NSF.

B. The United States contends that it has certain civil claims against Stanford arising from false claims submitted by Stanford to Army, Navy, Air Force, NASA, and NSF between July 2015 and December 2020 based on the following alleged conduct:

(1) Stanford, despite requirements to do so, failed to disclose to Army, Navy, NASA, and NSF current and pending support from foreign sources for eleven Stanford faculty members who were principal investigators (PI) or co-PIs on the federal research grant proposals listed in Exhibit A from which Stanford received funding (collectively, the Subject Grants).

(2) Stanford failed to disclose affiliations with and/or funding from Fudan University, a public university in China, and the National Natural Science Foundation of China in connection with a Stanford professor’s work as a PI or co-PI on the federal research grants listed in Exhibit B submitted to Army, Air Force, and NSF from which Stanford received funding (collectively, the Fudan/NNSFC Grants). In particular, despite Army, Air Force, and NSF

requirements that research grant proposals disclose foreign government support received by PIs and co-PIs, Stanford did not disclose that the professor received or would receive funding during the period of the Fudan/NNSFC Grants from: (i) the professor's employment at Fudan University through a Contract of Engagement for "High-Level Talent Initiative" of Fudan University, and (ii) a grant to the professor from the National Natural Science Foundation of China. Stanford further did not disclose to the Army, Air Force, and NSF that based on the professor's contractual commitments (including those associated with the professor's Fudan/NNSFC Grants), the professor was overcommitted during a portion of the period of the Fudan/NNSFC Grants because of the undisclosed Fudan University affiliation and/or research funding and other undisclosed research support from additional foreign entities.

The conduct set forth in this Recital B is referred to below as the Covered Conduct.

C. As separately agreed upon by NSF and Stanford, Stanford will work with the NSF Office of the Chief of Research Security Strategy and Policy on best practices in the areas of gifts funding research projects and current and pending support disclosures to address issues and concerns identified by the United States.

D. This Settlement Agreement is neither an admission of liability by Stanford, nor a concession by the United States that its claims are not well-founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Stanford shall pay to the United States One Million Nine Hundred Thirty-Eight Thousand Six Hundred Eighty-Two Dollars (\$1,938,682.00) (Settlement Amount), of which One

Million Three Hundred Thirty-Four Thousand Four Hundred Four Dollars and Fifty-Seven Cents (\$1,334,404.57) is restitution, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice no later than fifteen (15) days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Settlement Amount, the United States releases Stanford from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729–3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801–3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, or any administrative remedy, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals; and
- h. Any liability for failure to deliver goods or services due.

4. Stanford waives and shall not assert any defenses Stanford may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. Stanford fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Stanford has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of Stanford, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Stanford's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;

(5) the payment Stanford makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by Stanford, and Stanford shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, Stanford shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by Stanford or any of its subsidiaries or affiliates from the United States. Stanford agrees that the United States, at a minimum, shall be entitled to recoup from Stanford any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine Stanford's books and records and to disagree with any calculations submitted by Stanford or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Stanford, or the effect of any such Unallowable Costs on the amount of such payments.

7. Stanford agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Stanford shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of

former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Stanford further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

8. This Agreement is intended to be for the benefit of the Parties only.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

10. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of Maryland. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

13. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

14. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

15. This Agreement is binding on Stanford's successors, transferees, heirs, and assigns.

16. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.


17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 9/29/23

BY: David Wiseman / for
SARAH E. LOUCKS
Trial Attorney
Commercial Litigation Branch, Civil Division
United States Department of Justice

DATED: 9/29/23

BY: 
THOMAS F. CORCORAN
Assistant United States Attorney
United States Attorney's Office
District of Maryland

Digitally signed by THOMAS CORCORAN
Date: 2023.09.29 09:36:46 -04'00'

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

DATED: Sept. 28, 2023

BY: David M Studdert

David Studdert

Vice Provost and Dean of Research

The Board of Trustees of the Leland Stanford Junior University

DATED: Sept. 28, 2023

BY: Jacob R. Sorensen

JACOB R. SORENSEN

ADAM GOLDBERG

STACIE O. KINSER

Pillsbury Winthrop Shaw Pittman LLP

MICHAEL J. VERNICK

Akin Gump Strauss Hauer & Feld LLP

Counsel for The Board of Trustees of the Leland Stanford Junior
University

EXHIBIT A

The Subject Grants

Agency	Award No
Army	W911NF-17-1-0420
Navy	N00014-16-1-2894
Navy	N00014-19-1-2477
Navy	N00014-20-1-2322
NASA	80NSSC19M0203
NASA	80NSSC20K0258
NSF	1563113
NSF	1609688
NSF	1613091
NSF	1636442
NSF	1640078
NSF	1706154
NSF	1714723
NSF	1821449
NSF	1900638
NSF	1940865

EXHIBIT B

The Fudan/NNSFC Grants

Agency	Award No.
Army	W911NF1910163
Army	W911NF1610161
Air Force	FA9550-16-1-0113
NSF	1734082
NSF	1844119
NSF	1464640
NSF	2028776