Spotlight: Anti-Bribery and Corruption

Most researchers are familiar with U.S. anti-bribery and corruption principles. The laws related to foreign transactions are much more complicated. Even the most ethical researchers may run afoul of them if they aren’t aware of the requirements and take precautions. Here we discuss requirements of the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010 and provide tools to help researchers and Stanford stay in compliance.

What is the U.S. Foreign Corrupt Practices Act (FCPA)?

The FCPA is a federal law prohibiting any US person or organization from offering to pay, paying, or authorizing the payment of anything of value to a foreign official to influence any act or decision of that official. Individuals can be subject to fines up to $250,000, debarment, and imprisonment for up to five years per violation of the FCPA. The average penalty is about 2 years, and the longest prison sentence has been 15 years!

It’s important to understand who is considered a “foreign official” under the FCPA. Officials of all branches or units of a government are clearly foreign officials, but so are employees of government-owned or affiliated organizations, regardless if they are paid or unpaid. Researchers of a government-owned university or hospital are considered foreign officials.

Researchers who collaborate with government-affiliated businesses in Asia and the Middle East should be particularly careful and consult the Office of General Counsel before conducting any business.

The definition of “bribe” is very broad under the FCPA, which prohibits giving “anything of value.” This includes gifts, entertainment, travel payments with low business-to-leisure ratio, political contributions, free access to Stanford services, programs, or facilities, or providing internship or employment to family members of a foreign official.

The FCPA does not require actual payment or actual knowledge of payment; a researcher can be held responsible if she knew or had reason to know, was aware of the likelihood, or knew of circumstances that could lead to an improper payment to be made or received.

What is the UK Bribery Act?

The UK Bribery Act has a significantly wider scope than the FCPA and three significant differences: 1) it applies to anyone or any organization with any connection to the UK, not just UK entities; 2) it prohibits offering or giving any improper payment to any person or organization, not just government officials; and 3) it applies to both corrupt payments and the actions of the recipient. The average penalty is about 2 years, and the longest prison sentence has been 15 years!

It’s important to understand who is considered a “person” or “organization” under the UK Bribery Act. This includes individuals, partnerships, companies, and unincorporated associations.

Researchers who collaborate with government-affiliated businesses in Asia and the Middle East should be particularly careful and consult the Office of General Counsel before conducting any business.
Continued from Page 1

officials, for the purpose of influencing an act or decision and 3) it also prohibits requesting or receiving an improper payment from any person or organization. Because of the broader scope of the Bribery Act, violations are actively investigated and carry heavier penalties.

**Where do researchers face the greatest risk?**

Stanford researchers collaborate with others from around the world. Government officials interact with Stanford as collaborators, sponsors, grant-makers, subrecipients, vendors and service providers. Stanford personnel travel to many countries and host foreign officials on campus. The greatest risks are Collaborators and subrecipients who provide gifts and bribes as a regular part of doing business. Stanford and the researcher may be liable for the actions of these entities, even if they did not authorize the payment! Interactions with foreign funding entities during the proposal review process. Interactions with customs and licensing officials. Travel benefits and hosting activities for visiting foreign scholars and dignitaries.

**How can you keep your research team in compliance?**

Precautions should be taken to reduce the risk of violating the FCPA or UK Bribery Act. All Stanford personnel should review the Stanford Anti-Bribery policy found in Chapter 12.1.2 of the Administrative Guide. A STARS training course will be available later in 2015. For all activities with a foreign component, document due diligence before doing business with subrecipients, consultants, vendors, and collaborators by verifying their owners, partners, or principals, whether they are affiliated with a government, have anti-bribery policies, and have been investigated for violations of any anti-bribery or corruption laws. Include anti-bribery provisions in agreements with subrecipients, consultants, vendors and collaborators who may do business with a foreign government official on Stanford’s behalf. Require them to annually certify compliance for longer term agreements.

When conducting a clinical trial with a foreign government-affiliated collaborator or submitting a proposal to a foreign entity, check with the Office of General Counsel to discuss risks. Book all travel through Stanford Travel. Ship materials in advance using Stanford’s preferred custom broker and freight forwarder, Tigers Global Logistics. Ask for payment requests, published fee schedules in writing and request a receipt for all payments.

When hosting foreign persons, only pay for actual, reasonable and necessary expenses related to a clear Stanford purpose; avoid stipends, travel for family members, and excessive gifts, meals or entertainment. Ensure all payments are transparent and accurately recorded in Stanford’s records. If you have any doubts or concerns about a transaction or entity, contact the OGC.

Prosecutions of the FCPA and the Bribery Act have increased significantly in the last ten years. It’s critical to protect yourself and your research staff from unintentionally violating the law. If you have any questions about bribery and corruption laws or transactions related to research, contact the OGC, or your OSR Contract and Grant Officer.
What’s Happening in OSR?

OSR is constantly working to provide the best service by building and developing our team. We wish a warm welcome to our newest Contract and Grant Officers, Ashley Ho and Lisa Lowy who bring their diverse skills and fresh insights to OSR. Ashley comes from the University of Southern California’s Department of Contracts and Grants where she was responsible for issuing outgoing subaward agreements. Lisa was a Senior Grant and Contract Administrator at Partners Healthcare for departments in Brigham and Women’s and Massachusetts General Hospitals.

Tim Leung and Dell Sy, are taking their extensive OSR experience to new roles. Tim has had roles with pre-award, post-award and SeRA teams and now brings his diverse skill-set to the new OSR Training and Outreach Specialist role. In addition to Contract and Grant Officer functions, Tim will manage, deliver and coordinate training, seminars, and other services to the campus community. After a successful stint as a Contact and Grant Officer, Dell is returning to OSR’s post-award team as a Senior Research Accountant. With a wide breadth of knowledge and skills, Dell will supervise a team of accountants and manage an award portfolio of his own.

After a year in the private sector, we welcome back Esther Jung to her Research Accountant position. Patrice Burger is OSR’s newest Research Accountant handling clinical trial setups and closeouts. Patrice was an administrative associate supporting OSR’s staff of 65-plus. We’re excited to see her growth at OSR.

Nicole Chua is OSR’s newest addition filling Patrice’s former role as administrative associate. Nicole was a Senior Audit Associate at Deloitte & Touche and also interned with Deloitte’s Mergers and Acquisitions Transaction Services.

Change is exciting, but also bittersweet as we bid farewell and best wishes to two longtime OSR colleagues. Oanh Nguyen, Research Accountant, retired in July after 18 years of service at Stanford. Christina Ma, Financial Analyst, will be leaving OSR at the end of the September after a decade at the University to enjoy life in Seattle, Washington.

As you can see, there have been many exciting changes in OSR and we anticipate more as we strive to fulfill our mission of providing excellent service to the Stanford community. We sincerely appreciate your ongoing partnership, constant feedback, and unwavering support.

Check Out the OSR Story

OSR processes proposals, awards, subwards, account setups and closeouts to support a variety of departments across the Stanford community. View OSR’s Story to see real-time data on a variety of transaction types. Go to: http://doresearch.stanford.edu/research-offices/office-sponsored-research-osr/who-is-osr

Then, click on at the bottom of the page.

Navigate through the Story by clicking on the arrows

? Did You Know?

Office of Sponsored Research:
- Supports over 200 campus units
- works with nearly 1,700 different sponsors
- Issues about 1,000 subawards transactions annually
NIH Payment Management System Transition to Subaccounts October 2015

The NIH is requiring the transition of all existing non-competing continuation (NCC) segments to the Payment Management System (PMS) Subaccounts effective 10/1/2015. Any new or supplemental awards will be set-up under PMS Subaccounts. Here’s what you need to know:

• OSR will provide an Early PTA for awards transitioning to the NIH PMS Subaccount approximately two weeks before the beginning of the next budget period with the exception of the following two scenarios:
  1. Awards pending required human subject and/or animal protocol approval or renewal.
  2. Awards requiring carry-forward approval unless school/department provides a guarantee PTA.

• A New Oracle Award and Task(s) will be set up. The Oracle Project number will remain the same.

• Department must update existing POs, labor schedules, GFS entries, etc. to reference the New PTA(s) under NIH PMS Subaccount.

• Department must update any existing Subaward Purchase Order to reference the New PTA on a new line.

• Department must finalize expenditures for Original PTA so OSR can update the end date and closeout the Original PTA.

NIH transition to Payment Management System Subaccounts for Existing Awards

<table>
<thead>
<tr>
<th>Original competitive segment</th>
<th>New 2-segment configuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Budget Period</td>
</tr>
<tr>
<td>1</td>
<td>5/1/2012 – 4/30/2013</td>
</tr>
<tr>
<td>5</td>
<td>5/1/2016 – 4/30/2017</td>
</tr>
</tbody>
</table>

Key Impacts

➤ As of October 1, 2015, NIH will utilize only subaccounts for awarding grant funds. Every grant awarded funding in FY 2016 (whether in the first, second, third or fourth quarter of FY 2016) will be under a subaccount. The transition of all NIH awards to PMS subaccounts will be complete by September 30, 2016. (NOT-OD-15-105)

➤ New 2-segment configuration will be triggered by the FY16 Non-competing Continuation Awards issued on or after October 1, 2015

➤ Start date of the new segment and resulting PTA will be the first date of the budget period funded by the FY16 funds

Reference NIH Notice Number: NOT-OD-15-105. Additional information available at:

Frequently Asked Questions:
http://grants.nih.gov/grants/payment/faqs.htm
Cayuse 424 – Ready To Roll!

Stanford has been testing out the Cayuse 424 system as a campus-wide solution for system-to-system Grants.gov proposal submissions. Since March 2015, eight pilot departments have worked with the Office of Sponsored Research and the Research Management Group to create, review and submit nearly 50 proposals through Cayuse 424. Users download funding opportunities directly from Grants.gov and the application is stored in the Cayuse 424 web-based application during proposal development. What users like the most are that the system provides auto-fill and data reuse capability, and (wait for it) the real-time validation of proposal content. No more waiting until the CGO or RPM hits the submit button to find out if there will be errors!

OSR has made arrangements for **vendor-led training sessions** for the Stanford community to get started with Cayuse 424. Three distinct sessions will be offered across four different dates. Users are welcome to attend one session or mix and match dates as needed. The sessions will be drop-in and first-come-first-served, so get there early to grab a seat!

<table>
<thead>
<tr>
<th>Session Topic</th>
<th>Location</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to Cayuse 424</td>
<td>3160 Porter Drive, OSR Training Room</td>
<td>Tuesday 10/20/15</td>
<td>1:00 - 2:00pm</td>
</tr>
<tr>
<td>Entering Budgets into Cayuse 424</td>
<td>3160 Porter Drive, OSR Training Room</td>
<td>Tuesday 10/20/15</td>
<td>2:15 - 3:15pm</td>
</tr>
<tr>
<td>Subawards/Subcontracting in Cayuse 424</td>
<td>3160 Porter Drive, OSR Training Room</td>
<td>Tuesday 10/20/15</td>
<td>3:30 - 4:30pm</td>
</tr>
<tr>
<td>Introduction to Cayuse 424</td>
<td>Terrace Room 426 @ Margaret Jacks Hall</td>
<td>Wednesday 10/21/15</td>
<td>1:00 - 2:00pm</td>
</tr>
<tr>
<td>Entering Budgets into Cayuse 424</td>
<td>Terrace Room 426 @ Margaret Jacks Hall</td>
<td>Wednesday 10/21/15</td>
<td>2:15 - 3:15pm</td>
</tr>
<tr>
<td>Subawards/Subcontracting in Cayuse 424</td>
<td>Terrace Room 426 @ Margaret Jacks Hall</td>
<td>Wednesday 10/21/15</td>
<td>3:30 - 4:30pm</td>
</tr>
<tr>
<td>Introduction to Cayuse 424</td>
<td>Encina Commons 124</td>
<td>Thursday 11/5/15</td>
<td>9:30 - 10:30am</td>
</tr>
<tr>
<td>Entering Budgets into Cayuse 424</td>
<td>Encina Commons 124</td>
<td>Thursday 11/5/15</td>
<td>10:45 - 11:45am</td>
</tr>
<tr>
<td>Subawards/Subcontracting in Cayuse 424</td>
<td>Encina Commons 124</td>
<td>Thursday 11/5/15</td>
<td>12:00 - 1:00pm</td>
</tr>
<tr>
<td>Introduction to Cayuse 424</td>
<td>Tressider Memorial Union, Cypress North/South</td>
<td>Tuesday 11/10/2015</td>
<td>1:30 - 2:30pm</td>
</tr>
<tr>
<td>Entering Budgets into Cayuse 424</td>
<td>Tressider Memorial Union, Cypress North/South</td>
<td>Tuesday 11/10/2015</td>
<td>2:45 - 3:45pm</td>
</tr>
<tr>
<td>Subawards/Subcontracting in Cayuse 424</td>
<td>Tressider Memorial Union, Cypress North/South</td>
<td>Tuesday 11/10/2015</td>
<td>4:00 - 5:00pm</td>
</tr>
</tbody>
</table>

Can’t make a session? The eVisions Research Suite Support Center has a lot of great reference materials, including user guides and FAQs. Go to [http://support.cayuse.com](http://support.cayuse.com).

Access the system through SeRA, or go to [https://stanford.cayuse424.com](https://stanford.cayuse424.com). Contact your CGO or RPM to let them know you’ll be using Cayuse 424, or if you run into access issues.

---

**OSR and Friends on National Research Administrator Day**

September 25, 2015
Understanding SeRA and Conflict of Interest

The SeRA system is tightly integrated with the Outside Professional Activities Certification System (OPACS) to ensure that proposals are not submitted and awards are not accepted without the required conflict of interest certifications in place. Here are some information to help Department Administrators understand the process.

When are the OPACS transactions triggered?

Transactions can be triggered at various stages:

- **Proposal** – all faculty are asked to answer the screening questions as part of their PDRF certification
- **Just-In-Time (JIT)** – for NIH projects only, all faculty will be asked to re-answer the screening questions in anticipation of receiving the award
- **Award** – if no prior OPACS data for the faculty member exists under a particular SPO#, they will be asked to answer the screening questions. Also, regardless of sponsor, if a faculty member answered “yes” at time of proposal, they will be asked for updated information at the time of award and COI re-screening will be triggered. Any PHS award that did not have a JIT will also trigger a re-screening. If any faculty answer “yes” to a screening question, they will be prompted to provide a full disclosure.

How are faculty notified they have an OPACS transaction?

When the transaction is triggered, the system will send an email to the faculty member with the subject line: *RESPONSE REQUIRED - Financial Disclosure for Grants/Contracts*

My faculty ignore system-generated emails. Can they access their transactions another way?

Have the faculty member go to: [http://opacsprd.Stanford.edu](http://opacsprd.Stanford.edu). They will WebAuth in with their SUNet ID and password and land on their OPACS dashboard. Any items pending a faculty member’s action will be displayed.

How complicated are the screening questions?

Not too complicated, but it may require that the faculty member consult with others in order to accurately answer the questions. Here are the 2 questions that faculty are asked as part of each sponsored project:

1. Do you (or your spouse/domestic partner or dependent children) have:
   a) one or more financial interests, including:
      - payment for services
      - income such as consulting fees and honoraria
      - stock or stock options from publicly-traded companies, or from start-up or other privately held companies, or other ownership interest,
      - royalties from intellectual property not owned by Stanford,
      - salary for spouse/domestic partner, or
      - income from foundations, scientific or professional societies, or for-profit companies or organizations;
   AND DOES
   
   ○ Yes  ○ No

2. The financial interest reasonably appear to be related to [PROJECT TITLE].
   ○ Yes  ○ No. Please list their names below
If there is a date displayed here: the Investigator has completed the screening questions
If there is a dash displayed here: the Investigator still needs to answer the screening questions
If there is a “no” here followed by N/A’s: the OPACS/COI process is complete for that investigator
If there is a “yes” here followed by dashes: the Investigator has not yet completed the full Disclosure
If there is a date displayed here followed by dashes: the investigator has completed the full Disclosure and the potential COI is under review by the COI Manager in the school where the faculty member holds his/her primary affiliation. The School COI Managers can be found at http://doresearch.Stanford.edu/research-scholarship/conflicts-interest/coi-school-contacts

Upcoming SeRA Release: November 21, 2015

New Features Under Construction include:
• Budget details pushed from SeRA Award transaction to PTA Setup transaction for new awards
• Pre-approved IDC waiver list integrated with the PDRF
• Capturing and managing Key Personnel on projects
• Enhanced My Projects tab for faculty

Live Demos
- Monday, November 30, 2015
  3:00 – 4:00pm in Clark Center S360
- Tuesday, December 8, 2015
  1:00 – 2:00pm in Clark Center S360