Yale To Pay Government $7.6 Million To Settle Grants Issue

By ALAINE GRIFFIN
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NEW HAVEN — Yale University will pay the federal government $7.6 million to settle claims that it mismanaged federally funded research grants awarded to the university between 2000 and 2006, the U.S. attorney's office said Tuesday.

The investigation of Yale, launched in June 2006, focused on whether Yale researchers improperly transferred charges to a federal grant account to which those charges were not allocable, and whether they wrongfully charged 100 percent of their summer work to federal grants when they were doing unrelated work.

The U.S. attorney's office said researchers allegedly made the improper transfers as the grants' expiration dates neared and they needed to spend the remaining funds. Federal rules mandate that the government get back all unspent funds from grants.

Researchers allegedly made the wrongful salary charges to the grants because Yale does not pay their academic-year salary during the summer, the U.S. attorney's office said.

"This settlement sends a clear message that the regulations applicable to federally funded research grants must be strictly adhered to," acting U.S. Attorney Nora R. Dannehy said in a press release.

The U.S. attorney's office said Yale "cooperated fully" in the government investigation and, because of the settlement, no lawsuit would be filed against the university regarding the more than 6,000 grants at issue. Between January 2000 and December 2006, Yale received nearly $3 billion in federal grants from various federal agencies.

In agreeing to the settlement, the U.S. attorney's office said Yale "did not admit liability" and has "made extensive efforts to significantly improve its management of federal grants."

In a statement issued Tuesday, Yale President Richard C. Levin said the school "produced more than a million pages of documents" during the probe and "actively assisted government investigators" in analyzing its financial records.

Levin said that although Yale and the government "did not agree completely on either the nature or extent of errors in the charging of costs" to the grants, the university did make errors, "particularly with respect to transfers of costs to some federal awards from other federal awards or Yale accounts."

Levin said Yale has upgraded its accounting and reporting systems in the past several years. In 2006, Yale created the Office of Research Administration, which oversees mandatory training programs for faculty and staff. The office also revised and updated numerous policies and procedures, and tightened oversight of cost transfers.