

Grant Fraud, Waste, and Abuse

The federal government provides almost \$450 billion annually in Federal Assistance Agreements to support national infrastructure programs, scientific research, and cultural enrichment activities. Most of these dollars are awarded in the form of grants.

If you are involved in a federally funded grant, you have a responsibility to the government and to the university to be a good steward.

How can you be a good steward of federal funds and protect SFA?

- Use the funds entrusted to you to carry out the goals and objectives identified in your grant.
- Be sure that you keep thorough, accurate records, so you can account for costs and justify what you have spent.

Misuse of grant funds constitutes theft and is subject to criminal and civil prosecution.

Five most common federal violations resulting from misuse of grant dollars:

1. Embezzlement
2. Theft or bribery
3. False statements
4. False claims
5. Mail fraud and wire fraud

Four most common offenders:

1. Grant recipients, company officers, business partners, board members, managers
2. Bookkeepers, financial staff, and employees
3. Contractors and subcontractors
4. Consultants

Three most common fraud scenarios:

1. Claiming personal expenses as grant expenses
2. Billing for costs that have not been incurred or are not tied directly to the grant
3. Inflating labor costs/hours or charging for fictitious personnel, contractors, or consultants

How can you help detect and prevent grant fraud, waste, and abuse at SFA?

- Learn what is permissible on *your* grant, as some grant regulations vary by program.
- Become familiar with and follow university policies related to ethics, fraud, purchasing, accounting, human resources, and records retention. [University Policy Manual](#)
- Seek training for yourself and any coworkers.
- Access SFA's system to report suspected grant fraud, waste, or abuse. <http://www.sfasu.edu/audit/fraudreport.asp>
- Use SFA's Office of Research & Sponsored Programs as a resource. We offer practical grant management training/tips and can advise you when you encounter difficult issues.
- Ask yourself whether an action would stand up to the scrutiny of reporters and auditors.