

**From:** Leslyn Kraus  
**To:** [Shaun B Keister](#)  
**Cc:** [Jessica Schrider Macaluso](#); [Tony Firpo](#); [Gagandeep Kaur](#); [Haley P Shaul](#)  
**Subject:** Final Report - Gifts and Grants Classification - AMAS Project #17-11  
**Date:** Wednesday, June 28, 2017 11:13:00 AM  
**Attachments:** [image001.png](#)

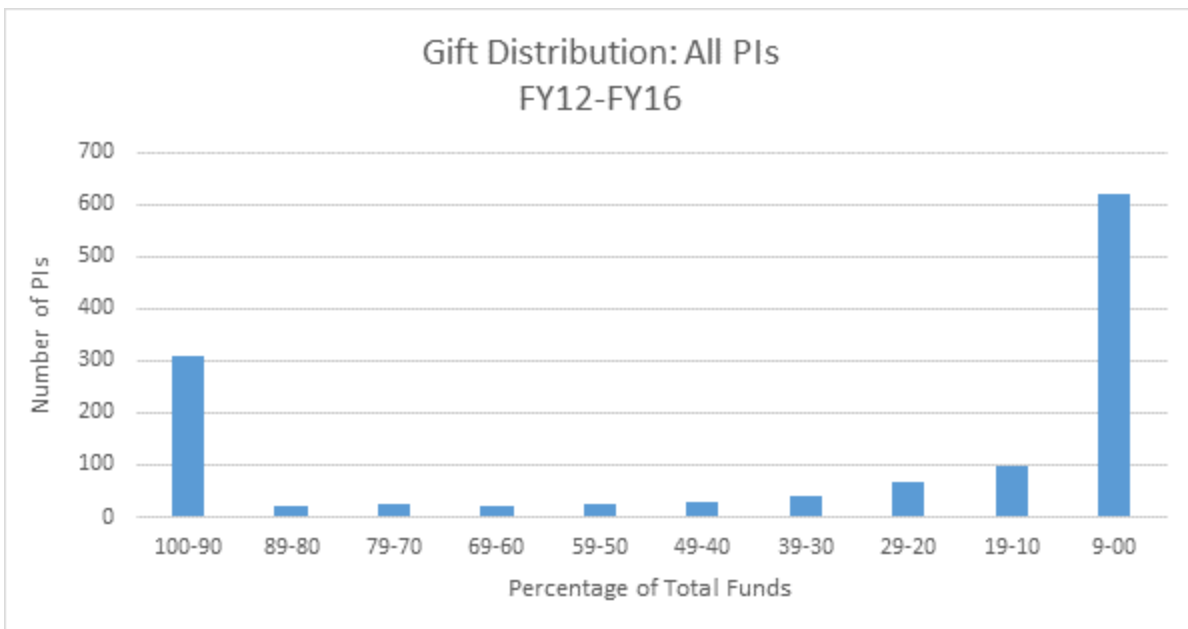
**SHAUN KEISTER**  
**Vice Chancellor**  
**Development and Alumni Relations**

Dear Shaun,

In spring 2016, our office assisted Academic Affairs in the investigation of a principal investigator (PI) who was found to have violated university policies by characterizing and processing grant or contract funding as gifts. Subsequently, at the May 2016 Audit and Management Advisory Services (AMAS) Work Group, the group discussed (a) the risks involved to the university as a result of this practice, and (b) whether the PI in question may be representative of a wider trend on campus. With the group’s approval, AMAS agreed as part of our fiscal year 2017 Plan to conduct a data mining project to examine this matter. I am writing now to report on our work.

We analyzed over \$3.8 million in research funds and gifts to PIs received between fiscal year (FY) 2012 and FY 2016.

Our first objective was to determine how much of each PI’s funding portfolio consisted of gifts. Summary charts of this data are included below. Notably, we found that for 25% of PIs, their funding portfolios were comprised of 90-100% gift funds.



Percentage	Count of Principal	Amount of Gifts as a
------------	--------------------	----------------------

Bracket	Investigators	Amount of Gifts	Percentage
100-90	311	\$ 39,979,144.81	17%
89-80	22	\$ 17,111,945.57	7%
79-70	24	\$ 20,841,261.13	9%
69-60	21	\$ 13,678,335.59	6%
59-50	25	\$ 10,181,229.43	4%
49-40	28	\$ 8,762,628.09	4%
39-30	42	\$ 24,700,737.81	11%
29-20	69	\$ 27,651,350.51	12%
19-10	98	\$ 24,317,256.58	11%
9-00	619	\$ 43,193,567.41	19%
<b>TOTAL:</b>	<b>1,259</b>	\$ 230,417,456.93	

Our second objective was to look for patterns of a corporation donating funds to a PI on a consistent basis. We were not able to complete this step using a data mining approach because the university's financial systems do not capture easily retrievable, consistently formatted data regarding the exact donor name for each gift. Instead, we reviewed gift details from the general ledger on a sample basis for the 50 PIs with the most gift funds. For these 50 PIs, 18 showed a pattern of receiving donations from the same company.

Our third objective was to identify whether PIs had research relationships with company representatives in research and development. We selected five of the 18 PIs to review in detail. For two of these five, we found evidence of co-authorship of research publications and donor involvement in research groups led by the PI.

We are not asking for any further actions from you; however, please let us know if you or your team would like to meet with us to discuss this project or review our results in further detail. Additionally, we do plan on sharing a brief summary of the results of our work with the AMASWG at its next meeting.

Thank you,

Leslyn

***Leslyn Kraus***

**Interim Director**

**UC Davis Audit and Management Advisory Services**

**916-734-7993**