

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 National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF) (collectively the "United States") and The Ohio State University (OSU) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. OSU is a public university in Columbus, Ohio that receives research grant support from NASA and NSF.

B. The United States contends that it has certain civil claims against OSU arising from OSU's failure to disclose that former OSU Professor C.K. Shum (Shum), and additional OSU personnel that were members of Shum's lab, including Yu Zhang, were affiliated with, listed on grant applications for funding from, and/or receiving funding from, the People's Republic of China (PRC) while working on the federal research grants listed in Attachment A (the "Covered Grants") that were awarded to OSU by NASA and NSF. Specifically, the United States contends that:

- i. Shum had guest, adjunct, visiting, and/or advisory positions with PRC universities and state-run research organizations that Shum reported on his Faculty Activity Reports submitted annually to his department at OSU since at least 2014.

- ii. Shum participated in a Thousand Talents Program established by the PRC to recruit individuals with knowledge of, or access to, foreign technology intellectual property. In September 2019, OSU learned and Shum admitted that he was a participant in a PRC Thousand Talents Program. OSU conducted an investigation and disclosed this information to NASA and NSF in 2023, at which time OSU initiated formal disciplinary proceedings against Shum;
- iii. Additional OSU personnel that were members of Shum's lab had affiliations with the PRC, were listed on grant applications for funding from the PRC, and/or participated in PRC-related work.

The United States contends that applications for the Covered Grants, as well as requests to draw down grant funding, did not disclose Shum's affiliations with and funding from the PRC, as well the PRC affiliations and funding of the other OSU personnel who were members of Shum's lab, despite (1) NASA and NSF disclosure requirements for foreign government support received by Principal Investigators ("PIs") and co-PIs, (2) the NASA funding restriction in P.L. 112-10 § 1340 and P.L. 112-55 § 539, and (3) OSU's internal policies governing disclosure of outside activities and affiliations. In January 2024, OSU repaid a portion of the funds it had received from NASA and NSF in the amount of \$254,661 in total, of which \$215,369 were repaid towards the Covered Grants ("the 2024 Repayment").

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

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

D. OSU denies the United States' allegations in Paragraph B.

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. OSU agrees to pay the United States Two Million, One Hundred Thousand Dollars (\$2,100,000) (the "Settlement Amount"), all of which is restitution. OSU will make a payment of One Million, Eight Hundred Eighty-Four Thousand, Six Hundred and Thirty-One Dollars (\$1,884,631.00) (the "Payment Amount"), 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 seven (7) days after the Effective Date of this Agreement. The Payment Amount constitutes the balance of the Settlement Amount after the 2024 Repayment is taken into account.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below and conditioned upon the United States' receipt of the Payment Amount, the United States releases OSU from any civil monetary claim the United States has for the Covered Conduct under the common law theories of fraud, breach of contract, payment by mistake, and unjust enrichment.

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 the False Claims Act, 31 U.S.C. §§ 3729-3733;

- b. Any liability arising under the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812.
- c. Any liability arising under the Contract Disputes Act, 41 U.S.C. §§ 7101-7109.
- d. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- e. Any criminal liability;
- f. 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;
- g. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- h. Any liability based upon obligations created by this Agreement;
- i. Any liability of individuals, including but not limited to Shum; and;
- j. Any liability for failure to deliver goods or services due.

4. OSU waives and shall not assert any defenses OSU 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. OSU 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 OSU 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 OSU, 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) OSU's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal 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 OSU 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 OSU, and OSU 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, OSU shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by OSU or any of its subsidiaries or affiliates from the United States. OSU agrees that the United States, at a minimum, shall be entitled to recoup from OSU 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 OSU's books and records and to disagree with any calculations submitted by OSU or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by OSU, or the effect of any such Unallowable Costs on the amount of such payments.

7. OSU agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, OSU 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. OSU 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 Southern District of Ohio. 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 OSU'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: 8/31/2026

BY: 
Christopher Reimer
Senior Trial Counsel
Commercial Litigation Branch
Civil Division
United States Department of Justice

The Ohio State University

DATED: 8-28-2026 BY: 
Anne K. Garcia
Senior Vice President and General Counsel
The Ohio State University
Office of Legal Affairs

DATED: 8/28/2026 BY: 
Samantha B. Badlam
Ropes & Gray LLP
Counsel for The Ohio State University