

Human Research Subject Payments Preventing Fraud

OSR Monthly Meeting
December 3, 2019 (EV)
December 5, 2019 (CH)

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Overview

How fraud happens with human research
subject payments

Existing policies and guidelines

Processes that help prevent fraud

Unusual situations and reporting fraud

Fraud & Human Subject Payments

Human subject payments are made in cash or cash equivalents:

Petty Cash, Checks through AP and Payroll

Stored Value Card, (e-)Gift Cards, Hyperwallet

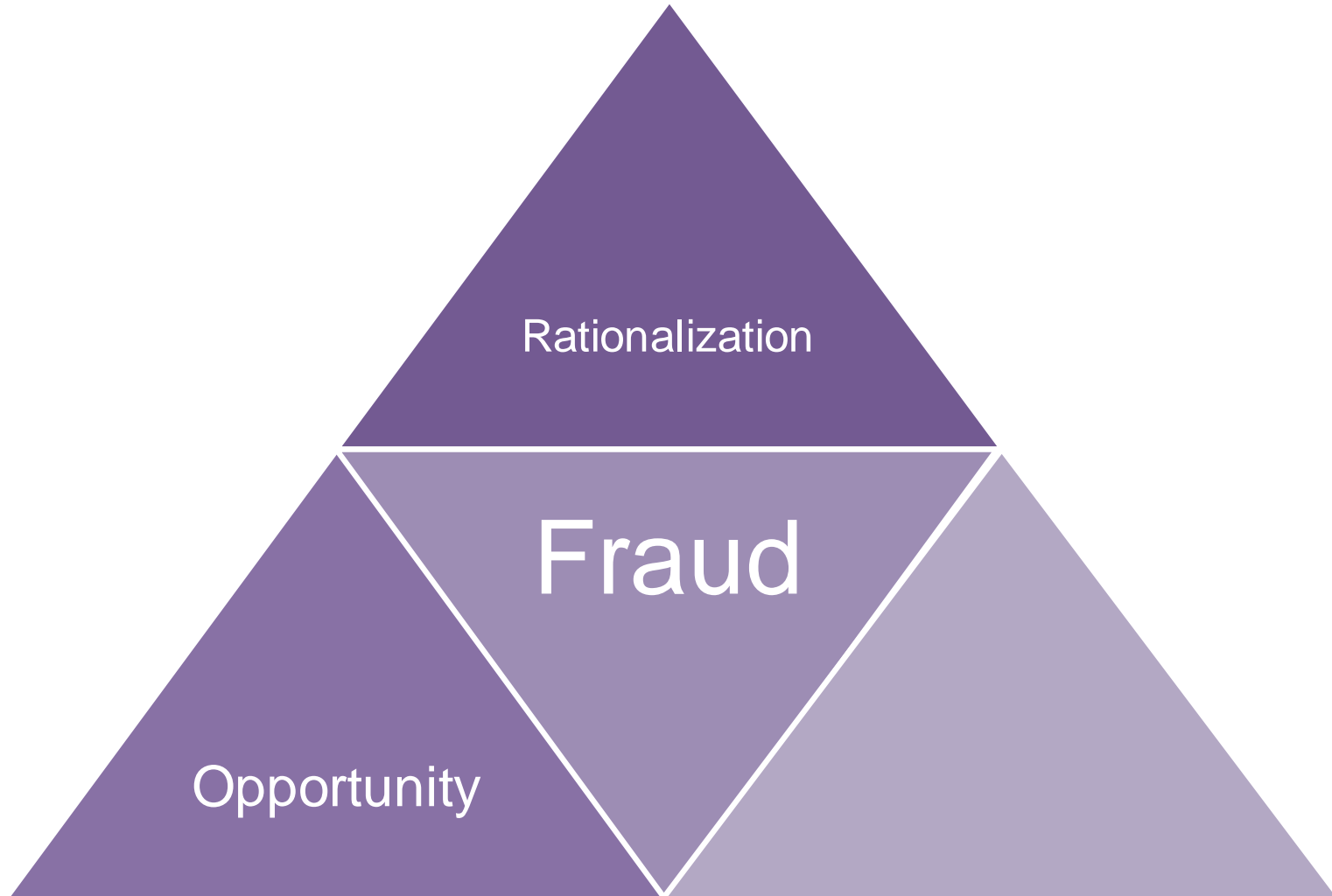
Departments are asked to monitor and control the stewardship of all cash

Theft of cash = fraud

Shortcuts or circumventing processes lead to fraud

Audits necessarily uncover fraud

Fraud Triangle



How does fraud occur?

Poor Controls

What happens after fraud occurs?

Discovery

Exposure by whistleblower,

Existing policies and guidelines

Charging Sponsored Projects

Sponsored project funds require a higher level of stewardship than other funds

When there is an audit finding we could be seen as university that needs more scrutiny

- Follow written policies
- Document everything for audit
- Closely monitor what is submitted

The HRS Payment Quandary

Human research subject payments have two components that can cause a lot of trouble for departments because they are seemingly at odds with one another:

- Privacy of patient (requires privacy protection)

- Abuse of cash (requires transparency)

Documentation Basics

Proper documentation for payment distribution:

- Shows proof of distributing payment

- Serves as back up for cost transfers and replenishments

Two methods

- Signed research subject form

- Participant log, which should include:

 - Patient Identifier

 - Address

 - Date of research activity

 - Amount paid

 - Signature of participant or other proof of distribution (e.g. email confirmation for virtual gift cards)

Processes that help prevent fraud

Internal Controls Best Practices

Each Dept. unit should brainstorm and decide how you will apply internal controls and manage the risk in your office.

Make sure you address separation of duties

Ask for help if you are not sure how to handle internal controls

[Internal Controls Best Practices](#)

Internal Controls for Incentives

Operating Controls

Ensure IRB approval exists

Know the cash handling policies at Northwestern

Have documented procedures (in line with Northwestern policy) that clearly outline the details of local (unit) processes for obtaining and disbursing HRS payments

Each Incentive request should be documented

Ensure all requests for incentives are approved (happens at dept. level ASRSP not involved at approval request)

Petty Cash or Gift Card Custodians should not be approvers of HRS payments

Subject payments should be secured in a secure place, safe, locked cash box (in a secured drawer). Only authorized personnel should have access

When mailing cash / cash equivalents, the process should involve two people (includes any electronic payments made)

Have a tracking inventory or logging process to ensure all funds whereabouts of subject incentives are known

Return unused cash/gift cards/checks that will not be used within 30 days.

Keep good documentation/evidence of who your distributing funds to according to HRS payment policy

Subject payments should be charged to the proper award within 30 days of distribution via cost transfer journal process

Monitoring Controls

Petty Cash

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should be conducted to verify accuracy of the fund, making sure that the amount of cash that should be there is there (or equivalent receipts)

Make sure there is more than one person approving request for petty cash.

Reminder: If you opened a petty cash fund on a chart string that closes (including competing continuations), you need to close the petty ETQ EM ci pegi p p9 pettEMC o4(y)19(o)-(JTJETQ EMC /F

Reporting and Documenting Fraud

If you see or hear of any situation that requires attention, report it immediately

Submit information through _____
[EthicsPoint hotline](#)

Resources

ASRSP Contacts

[Kathy Mustea](#) (312) 503-0862 (Presenter)

Approvers

[Jany Raskina](#) (847) 491-4697

[Rosanna Sian](#) (312) 503-0835

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Useful Links

[Human Subject Payment Policy](#)

[IRB Payment/Reimbursement guidelines](#)

[myHR Add Pay process](#)

[Cash Handling Policy](#)

[EthicsPoint](#)

Questions?