Quarterly Compliance Report – Special Areas: Global Activities

INFORMATION

This report is for information only.

BACKGROUND

In November 2015, Elizabeth Cherry, Associate Vice Provost, Compliance and Risk Services, presented a report on the University’s new Structural Compliance Program. Over an 18-month cycle, the Board of Regents will receive a quarterly report from each of the six key institution-wide compliance areas:

- Research
- Health & Safety
- Financial
- Information
- Special Areas (e.g. global activities)
- Civil Rights/Employment

Attachments

1) University of Washington Global Activities Compliance
2) University of Washington Global Activities Compliance Priority Item 1: Clery Act in Foreign Locations
3) University of Washington Global Activities Compliance Priority Item 2: Export Control
University of Washington Global Activities Compliance

Overview

U.S. research universities have increasingly become global enterprises, with “internationalization ... seen as a fundamental business strategy.”¹ This reality presents significant opportunities for scientific and medical research, teaching and learning, business development, and the exchange of ideas among the world’s academic communities. It also creates a new set of challenges for universities’ operational and administrative units, which must expand their knowledge and reach beyond domestic operations to manage and support foreign campuses, overseas research, student internships and work programs, partnerships with multinational corporations and foreign governments, service and other experiential learning, distance education, and international student recruitment.

The University of Washington (UW) has long been a global enterprise, a fact clearly reflected in its mission: “[The institution] advances new knowledge through many forms of research, inquiry and discussion; and disseminates it through the classroom and the laboratory, scholarly exchanges, creative practice, international education, and public service.”² UW currently operates 85 faculty-led programs sponsoring more than 2,000 students learning abroad in 55 countries, and two European centers hosting long-term educational programs. It administers over $200 million in externally-funded programs conducted outside the U.S. each year. The Department of Global Health (DGH) has by far the most substantial international footprint of any UW unit, with programs in Peru, Uganda, India, and beyond. In 2015 alone, more than 900 international DGH staff trained over 6,000 people, in 40 countries, in courses related to clinical management of HIV, epidemiology, and health leadership and management.

Such transnational endeavors are accompanied by appreciable risk and significant compliance considerations. In each foreign location where it operates, the University must ensure that applicable U.S. laws and regulations – as well as in-country laws – are followed. The overlay of cultural, political and situational contexts adds additional complexity. Considerable knowledge, collaboration and skill are essential to maintaining these international activities that take “no conventional shape.”¹ The Office of Global Affairs (OGA) and the Global Operations Support Program manage and coordinate this work for the institution, collaborating with multiple UW offices, including Financial Management, Human Resources, Tax, Compliance and Risk Services, Real Estate, Research, and the Attorney General, among others.

Compliance Services facilitates and supports compliance work across the institution by providing a unifying framework for the University’s diverse compliance obligations and subject matter experts. It employs seven elements to assess and strengthen the effectiveness and maturity of the University’s compliance functions: 1) leadership and oversight, 2) standards of conduct, policies and procedures, 3) education and outreach, 4) monitoring and auditing, 5) receiving reports and investigating, 6) accountability, incentives and corrective action, and 7) response and prevention. Compliance Services
brings together subject matter experts to participate in ongoing assessments that emphasize continuous improvement.

**Assessment**

In May 2016, a compliance assessment of UW global activities was conducted. Meetings brought together experts representing relevant topic areas from across the University: research, study abroad, finance (tax, procurement, grant and contract accounting), legal, human resources, risk financing and consulting, health and safety, global affairs, and internal audit. Through those meetings, two compliance priority items – one relevant to compliance with the Clery Act and the other to export control administration – were identified for focused attention over the next 18 months.

The Global Activities compliance assessment was led by:

Ann Anderson | Associate Vice President & Controller, Finance & Facilities
Elizabeth Cherry | Associate Vice Provost, Compliance and Risk Services
Jeff Riedinger | Vice Provost for Global Affairs

Subject matter experts:

Lynette Arias | Assistant Vice Provost for Research, Office of Research
Becky Bullock | Director, Risk Financing and Consulting, Compliance and Risk Services
Pramilla Chand | Director, Procurement Services Operations
Gayle Christensen | Associate Vice Provost, Office of Global Affairs
Mark Conley | Executive Director, Procurement Services
Richard Cordova | Executive Director, Internal Audit
Doug Divine | Director, DATAGroup and Interim Manager, Global Operations Support
Cameron Frisch | International Strategic Partnerships Administrator, Office of Global Affairs
Nicholas Hill | Global Travel Security Manager, Office of Global Affairs
Rob Lindsley | Managing Director, I-TECH and Clinical Assistant Professor, Department of Global Health
Peter Moran | Director, UW Study Abroad
Ted Mordhorst | Director, Research Compliance & Operations, Grant & Contract Accounting
Erin Rice | Assistant Vice President, Campus Human Resources Operations
Kyle Richard | Tax Director, Financial Management
Quentin Yerxa | Assistant Attorney General, UW Division of the Attorney General’s Office

**Summary of Priority Items**

**Priority Item 1: Clery Act in Foreign Locations**

The Clery Act requires institutions of higher education to disclose information about crime on and around their campuses, as well as for university-owned or controlled facilities in foreign locations. The University of Washington operates eleven research centers, two permanent study abroad centers, a research vessel that operates in international waters, and dozens of other foreign locations regularly
used or accessed for research. The law’s applicability to foreign locations can be unclear, and adherence to its provisions challenging.

To ensure compliance with Clery requirements across all UW-controlled foreign locations, a team will be assembled to clarify which provisions of Clery apply to which locations, with location-appropriate training and reporting procedures developed and implemented.

**Priority Item 2: Export Control**
In the interest of vital national security and foreign policy objectives, the U.S. government regulates the transfer of strategically-important information, technology, commodities and software through export control regulations. Scholarly activities occurring on the University of Washington’s campuses and around the world can involve the transfer of information or materials deemed “sensitive” with respect to such regulations.

Steps toward implementing a new and comprehensive system of protocols designed to ensure export control compliance across the institution will include a full situation scan and inventory of regulated activities and current export control procedures and resources at UW; and a gap analysis to inform the development of more effective, efficient and comprehensive export control administrative practices.

**Additional Reading**
Insider Higher Ed: March 24, 2014
[https://www.insidehighered.com/content/globalization-higher-education](https://www.insidehighered.com/content/globalization-higher-education)

**Citations**
Challenge Statement
The Clery Act (Clery) requires institutions of higher education to disclose information about crime on and around their campuses, as well as for university-owned or controlled facilities in foreign locations. The University of Washington operates eleven research centers, two permanent study abroad centers, a research vessel that operates in international waters, and dozens of other foreign locations regularly used or accessed for research. Clery provisions are prescriptive in some areas and ambiguous in others; the law’s applicability to foreign locations can be unclear, and adherence to its provisions challenging.

Context
The Crime Awareness and Campus Security Act of 1990 is a consumer protection law that requires colleges and universities participating in Title IV student financial assistance programs to disclose campus crime statistics and security information. 1998 amendments to the law renamed it the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act – in memory of a student who was raped and killed in her dorm room.

Clery mandates that each campus of an institution: 1) collect, classify and count crime reports and crime statistics, 2) issue campus alerts, including timely warnings and emergency notifications about immediate or ongoing threats to community safety, 3) publish an annual security report, 4) report crime statistics to the Department of Education, 5) maintain a daily crime log, and 6) for institutions with on-campus housing facilities, disclose missing student notifications and fire safety information. Each foreign location owned or controlled by an American university – including study abroad locations and research vessels – with an organized program of study and administrative personnel on-site is considered a separate campus for Clery purposes. Facilities, or even sections of buildings or properties, that are rented, leased or operate under a written agreement with a third party, however informal, are included.

Clery crime statistics are reported based strictly on where crimes occur. The 2016 Handbook for Campus Safety and Security Reporting, issued by the Department of Education, includes numerous sample maps (see below) designed to help identify reportable locations; however, the information can be counterintuitive. For example, a crime involving UW students that occurred on the second floor of a building where the university leases the third and fourth floors would not be reported; however, a crime on campus involving two non-UW affiliated people would be. Also, if multiple crimes occurred in the course of a single incident (a robbery and forcible sex offense, for example), only the sex offense would be reported. Finally, the handbook offers minimal guidance for, or even recognition of, the challenges of working with local law enforcement in some foreign locations.
Mitigation Plan
To ensure compliance with Clery provisions across all foreign locations, a team of representatives from the Office of Global Affairs, UW Police Department, UW Study Abroad, and other relevant units will be assembled to:

- Define the UW foreign locations covered by Clery reporting requirements;
- Confirm the applicability of Clery provisions to foreign locations (specifically, seek clarification of the timely warning, missing student notification, and fire safety information requirements);
- Identify and train in-country faculty and staff as Campus Security Authorities, and establish appropriate procedures for crime reporting;
- Create location-appropriate processes for requesting crime data from local law enforcement;
- Review and develop location-appropriate prevention and response procedures, aligned with best practices.

Project Leads
Ann Anderson | Associate Vice President & Controller, Finance & Facilities
Kyle Richard | Tax Director, Financial Management
Nicholas Hill | Global Travel Security Manager, Office of Global Affairs

Relevant Laws and Regulations
Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act: (20 USC Section 1092(f))

Sample Map from *2016 Handbook for Campus Safety and Security Reporting*
Challenge Statement
In the interest of vital national security and foreign policy objectives, the U.S. government regulates the transfer of strategically-important information, technology, commodities and software through export control regulations. Scholarly activities occurring on University of Washington campuses and around the world, and the related exchange of ideas with the international academic community, can involve the transfer of information or materials deemed “sensitive” with respect to such regulations. This high-risk domain poses unique challenges for a complex research institution like the UW and demands a robust and revamped program in the Office of Research, including its Office of Sponsored Programs (OSP), to meet the institution’s compliance obligations.

Context
The Export Administration Regulations (EAR), the International Traffic in Arms Regulations (ITAR), and the laws overseen by the Office of Foreign Assets Control (OFAC), together cover a wide variety of regulated activities – which include, among other things: 1) the physical export of controlled equipment, data, and materials to foreign countries, 2) the disclosure of controlled information to foreign entities or persons, abroad or domestically, and 3) access to controlled equipment and associated technology by foreign persons visiting university facilities.

Every year, OSP responds to thousands of export control queries from researchers, and reviews hundreds of projects and activities for compliance with EAR, ITAR and OFAC regulations. The decentralized nature of the institution and the sheer scale of international endeavors, however, present challenges for identification and assessment of those activities requiring export control compliance.

The consequences of non-compliance are significant, and violations can result in serious monetary and criminal penalties against institutions and individuals, particularly the University’s “Empowered Official,” the officer charged with overall export control responsibility. Those who violate export control restrictions may face debarment from participation in federal contracts, and the University may be prohibited from any future export-controlled activity, thereby reducing its institutional appeal to top researchers in terms of employment or collaboration. Most importantly, a violation could jeopardize national security, potentially causing actual harm to the public as well as severe reputational damage to the University.

Mitigation Plan
The Office of Research, in coordination with its Office of Sponsored Programs, will take the following steps toward implementing a new and comprehensive system of protocols designed to ensure export control compliance across the institution:
• Perform a full situation scan of the University, which will provide an inventory of regulated activities – regardless of whether or not they result from specific research initiatives – and current export control procedures and resources. The scan will engage offices across the UW that intersect with export control issues, including those responsible for banking and treasury, shipping and receiving, equipment inventory, international scholars, and technology transfer;
• Review current regulations and agency policies and guidelines, which are undergoing revisions as part of the U.S. President’s Export Control Reform Initiative
• Research best practices employed by peer institutions, and;
• Conduct an enterprise-wide gap analysis to inform the development of more effective, efficient and comprehensive export control administrative practices at the UW.

Future efforts will likely include the implementation of University-developed resources for departments, schools, colleges, and central unit administrators to perform routine reviews of their activity – including procurement of materials and equipment, hiring of personnel, travel, shipping and receiving, and intellectual property disposition – that may require licensing or specific agency approval due to regulatory requirements.

Project Leads
Joe Giffels | Associate Vice Provost for Research Administration and Integrity
Carol Rhodes | Acting Co-Director & Empowered Official, Office of Sponsored Programs

Sample of Relevant Laws and Regulations
• Export Administration Regulations (EAR): 15 C.F.R. Sections 730-774
• International Traffic in Arms Regulations (ITAR): 22 C.F.R. Sections 120-130
• Office of Foreign Assets Control Regulations (OFAC): 31 C.F.R. Sections 500-599
• Assistance to Foreign Atomic Energy Activities: 80 C.F.R. Section 810

Additional Reading
“Overview of U.S. Export Control System” – U.S. Department of State website
http://www.state.gov/strategictrade/overview/