
In Re: ScienceFriday, Inc. & Ira Flatow
U.S. Attorney's Office, District of Connecticut
Civil No. 2012V01372

SETTLEMENT AGREEMENT

I. Parties

This Settlement Agreement ("Agreement") is entered into by the United States of America, acting through the United States Department of Justice (collectively the "United States"), and ScienceFriday, Inc. ("ScienceFriday, Inc.") and Ira Flatow (collectively, the "Science Friday Parties"), through their authorized representatives. All of the foregoing persons or entities are hereafter collectively referred to as "the Parties."

II. Covered Conduct

Paragraphs A through F of this section constitute the Agreement's "Covered Conduct," i.e., the underlying facts and circumstances encompassed within this Agreement. The United States contends as follows:

A. ScienceFriday, Inc. is a for-profit corporation, incorporated in Delaware, with its corporate address at 140 Grove Street # 3i, Stamford, Connecticut. During the period from August 15, 2009 to July 31, 2011, its principal business was the promotion of science learning through its weekly public radio program and its website.

B. Ira Flatow is the president of ScienceFriday, Inc. and the host of the weekly public radio program.

C. ScienceFriday, Inc. sought funds from the National Science Foundation (NSF) for the purpose of extending the impact of its weekly radio program to a new and younger audience through the use of cyber-space platforms and interactive tools such as Facebook and Twitter.

D. ScienceFriday, Inc. was successful in its efforts, and the NSF issued Award # DRL-0917475 (“the Award”), in the amount of \$998,554, to ScienceFriday, Inc. for the period from August 15, 2009 to July 31, 2011.

E. The Award required that ScienceFriday, Inc. comply with several administrative requirements, including but not limited to: (1) the submission and certification of quarterly Federal Financial Reports (“FFRs”) reporting the amounts of federal grant money expended in each financial quarter; (2) the submission and certification of advances or reimbursements of Award funds each time federal money was drawn down by the company; (3) the submission of a budget(s) detailing the expected use of the Award funds; (4) the establishment of an accounting system capable of recording Award expenditures according to budget categories; (5) the preparation of adequate time and effort reports accounting for the expenditure of Award funds; and (6) compliance with federal regulations and policies applicable to all awards and grants, and with regulations and policies specific to the Award.

F. As the result of an investigation conducted by the NSF Office of Inspector General, the government identified a number of alleged deficiencies in ScienceFriday, Inc.’s use of the Award funds: (1) ScienceFriday, Inc. submitted nine false FFRs to the United States certifying that all disbursements “have been made for the purposes and conditions...of the [Award]”; (2) ScienceFriday, Inc. submitted 19 false Cash Requests to the United States certifying that the request for advance was correct; (3) ScienceFriday, Inc. maintained a time and effort system incapable of tracking the time spent working on the Award and the amount of

salary charged to the Award; and (4) ScienceFriday, Inc. inappropriately used Award money to cover unallowable and unsupported costs.

G. The Agreement is neither an admission of wrongdoing or liability by the Science Friday Parties, nor a concession by the United States that its contentions and claims are not well-founded.

H. Instead, 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 Agreement, the Parties agree and covenant as follows:

III. Terms And Conditions

1. Subject to the conditions set forth below, the Science Friday Parties agree to pay to the United States the sum of \$145,531.00 (hereafter referred to as the "Settlement Amount") in monetary settlement of this matter within forty-five (45) days of the Effective Date of this Agreement. (See para. 19 *infra*). Instructions for electronic transfer of the Settlement Amount will be provided by the Financial Litigation Unit of the United States Attorney's Office, District of Connecticut.

2. If and when the Science Friday Parties submit a proposal for an NSF award, are identified in a proposal for an NSF award as a possible recipient of NSF funds (in any capacity), or upon receipt of NSF funds by the Science Friday Parties on any basis, the Science Friday Parties shall adhere to the Compliance Plan, attached hereto and incorporated by reference herein. The Compliance Plan is designed to ensure that all the conduct of Science Friday Parties will comply with the applicable requirements for recipients of federal award funds. Certification that the Compliance Plan has been implemented shall be submitted to NSF OIG within 10 days of submitting a proposal to NSF, being identified in an NSF proposal as a possible recipient of

NSF funds or upon receipt of NSF funds on any other basis. Once implemented, the Compliance Plan shall be in effect for five years.

3. The Science Friday Parties voluntarily agree to exclusion from participation in federal programs, grants, and contracts or from providing services under grants and contracts with the United States government, any department or agency of the United States government, or any projects, grants or contracts directly funded by the United States for a period of one year, commencing on the Effective Date of this agreement. Such exclusion extends only to employment and not to federal programs in which the Defendant is a beneficiary, such as social security. This agreement will serve as the basis for NSF to enter the exclusion into the System for Award Management (SAM) database.

4. Subject to the exceptions below in Paragraph 5 (concerning excluded claims), and conditioned upon the Science Friday Parties' full payment of the Settlement Amount as described in Paragraph 1, the United States releases the Science Friday Parties, together with any current and former parent corporations; direct and indirect subsidiaries; current or former owners, members, and shareholders; officers, employees, directors, and agents; and the successors and assigns of any and all of them, from any and all civil or administrative monetary claims the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

5. Notwithstanding the release given above in Paragraph 4 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. any liability arising under Title 26, U.S. Code (Internal Revenue Code);

- b. any criminal liability;
- c. except as explicitly stated in this Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;
- d. any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. any claims of the United States based upon such obligations as are created by this Agreement;
- f. any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services; and
- g. any liability for the failure to deliver goods or services due.

6. The Science Friday Parties waive and shall not assert any defenses the Science Friday Parties 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. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of Title 26 of the United States Code (the Internal Revenue Code).

7. The Science Friday Parties fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any and all claims, causes of action, adjustments, and set-offs of any kind (including, attorney's fees, costs, and expenses of every kind and however denominated) which the Science Friday Parties 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.

8. Unallowable Costs Provisions

a. Unallowable Costs Defined: All costs as defined by the Federal Acquisition Regulation, C.F.R. § 31.205-47, incurred by or on behalf of the Science Friday Parties, to the extent the Science Friday Parties are involved in government cost-reimbursable contracting, and the Science Friday Parties' present or former officers, directors, employees, shareholders, members, and agents, in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audits and civil investigation of the matters covered by this Agreement;
- (3) the Science Friday Parties' investigation, defense, and corrective actions undertaken in response to the United States' audits and civil investigation in connection with the matters covered by this Agreement (including attorney's fees);
- (4) the negotiation and performance of this Agreement; and
- (5) the payment made to the United States pursuant to this Agreement

are unallowable costs for government contracting purposes (hereafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: If applicable, Unallowable Costs will be separately determined and accounted for by the Science Friday Parties, and the Science Friday Parties shall not charge such Unallowable Costs directly or indirectly to any contract or grant with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: If applicable, within 90 days of the Effective Date of this Agreement, the Science Friday Parties shall identify and repay, by adjustment to future claims for payment or otherwise, any Unallowable Costs included in payments previously sought by the Science Friday Parties, or any of its agencies or departments, from the United States. The Science Friday Parties agree that the United States, at a minimum, shall be entitled to recoup from the Science Friday Parties 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 the Science Friday Parties' books and records and to disagree with any calculations submitted by the Science Friday Parties regarding any Unallowable Costs included in payments previously sought by the Science Friday Parties, or the effect of any such Unallowable Costs on the amount of such payments.

9. The Science Friday Parties warrant that they have reviewed their financial situation and that they are currently solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to the Science Friday Parties, within the meaning of 11 U.S.C. § 547(c)(1), and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder,

delay, or defraud any entity to which the Science Friday Parties were or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1).

10. If within ninety-one (91) days of the Effective Date of this Agreement or of any payment made under this Agreement, the Science Friday Parties commence, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of the Science Friday Parties' debts, or seeking to adjudicate the Science Friday Parties as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for the Science Friday Parties or for all or any substantial part of the Science Friday Parties' assets, the Science Friday Parties agree as follows:

i. The Science Friday Parties' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and the Science Friday Parties shall not argue or otherwise take the position in any such case, proceeding, or action that: (A) the Science Friday Parties' obligations under this Agreement may be avoided under 11 U.S.C. § 547; (B) the Science Friday Parties were insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States; or (C) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to the Science Friday Parties.

ii. In the event that the Science Friday Parties' obligations hereunder are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against the Science Friday Parties for the claims that would otherwise be covered by

the releases provided for in this Agreement. If the United States chooses to do so, the Science Friday Parties agree that (A) any such claims, actions or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in this paragraph above, and that the Science Friday Parties shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; and (B) the Science Friday Parties shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceedings that are brought by the United States within one hundred eighty (180) calendar days of written notification to the Science Friday Parties that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of this Agreement; and (C) the United States has a valid claim against the Science Friday Parties for common law damages and pre-judgment interest, as reduced by any payments already made, and the United States may pursue its claims in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

iii. The Science Friday Parties acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

11. This Agreement is intended to be for the benefit of the Parties only.

12. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

13. Each Party and signatory to this Agreement represents that it freely and voluntarily entered into without any degree of duress or compulsion.

14. This Agreement is governed by the laws of the United States. The Parties agree

that the exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Connecticut. 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.

15. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

16. The individuals signing this Agreement on behalf of the Science Friday Parties represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement. The United States' signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

17. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.

18. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

19. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date"). Facsimile or electronic copies of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto affix their signatures:

FOR THE UNITED STATES OF AMERICA

DEIRDRE M. DALY
United States Attorney
District of Connecticut

DATED: 9/15/14

William A. Collier
WILLIAM A. COLLIER
Assistant United States Attorney

FOR SCIENCEFRIDAY, INC. & IRA FLATOW

DATED: Sept. 10, 2014

Ira Flatow
IRA FLATOW

--in his capacity as--

President, ScienceFriday, Inc.

DATED: Sept. 10, 2014

Ira Flatow
IRA FLATOW
Individually

DATED: 9/10/2014

Anthony J. Cichello
ANTHONY J. CICHELO, ESQ.
Krokidas & Bluestein LLP
Boston Massachusetts

--in his capacity as--

Counsel for ScienceFriday, Inc. & Ira Flatow

ScienceFriday, Inc. Compliance Plan

Preamble

1. ScienceFriday, Inc. agrees, as a term of its agreement with the United States, to implement a Compliance Program to ensure compliance with the terms and conditions applicable to any National Science Foundation (NSF) awards, to ensure compliance with all relevant laws and regulations governing NSF awards as provided for in 45 CFR Parts 601 to 690, as now or hereafter amended, and to demonstrate ScienceFriday Inc.'s commitment to the prevention of fraud, false statements, and misuse of funds related to NSF awards by ScienceFriday Inc., its officers, and relevant employees. The Compliance Program shall be based upon an assessment of the risk of such unlawful activities, have adequate financial and human resources, and shall be maintained so as to ensure that ScienceFriday Inc. and each of its officers and relevant employees maintain the integrity required of a recipient of NSF awards.

2. Relevant employees are Principal Investigators (PIs), co-PIs, consultants, independent contractors, sub-recipients and any other person who is responsible for the design, conduct, administration or other activity funded or supported by NSF awards.

3. NSF awards herein mean any cooperative agreement, grant, contract, sub-contract or other instrument whereby ScienceFriday Inc. receives NSF funds.

Requirements

4. The period of future compliance obligations assumed by ScienceFriday Inc. under this Compliance Program will commence upon submission a proposal to NSF, being identified in an NSF proposal as a possible recipient of NSF funds or upon receipt of NSF funds on any other basis (the Effective Date) and will be complete after NSF and NSF OIG receipt and written approval of the fifth (5th) and final annual report.

5. The scope of this Compliance Program shall be limited to any NSF-funded activity taking place during the term of this plan and NSF funds awarded or disbursed during the compliance period. NSF OIG shall monitor compliance with the requirements of this Compliance Program.

6. All reports and notifications required under this Compliance Program shall be sent to the NSF OIG Assistant Inspector General for Investigations, via email to oig@nsf.gov.

A. Compliance

7. ScienceFriday, Inc. agrees to implement the following measures as of the Effective Date:

i. Compliance Program

8. The Compliance Program shall include identification of relevant employees. Each of those roles and responsibilities shall be described so that their relationship to ScienceFriday, Inc.'s responsibilities under NSF awards is clear. The lines of responsibility shall be clearly established from each individual position up to and including ScienceFriday, Inc.'s responsible signatory officials. All individuals in such positions will be provided with (or have electronic access to) written policies and/or procedures applicable to their positions for:

- (a) a code of conduct holding ScienceFriday, Inc. personnel to high ethical standards of professional conduct and integrity, including addressing conflicts of interest;
- (b) accurate time and effort reporting under NSF awards to meet the standards of the cost principles specified in the Federal Acquisition Regulation (FAR, Part 31), or any applicable superseding FAR amendment(s);
- (c) accurate charging of costs under NSF awards;
- (d) accurate monitoring, managing and reporting of cost sharing;
- (e) accurate monitoring of sub-recipients and consultants, and sub-recipient and consultant charges;
- (f) accurate reconciliation of accounting records; and
- (g) document management and retention.

Individuals in such positions are responsible for the effective implementation of the aforementioned policies and procedures.

ii. Compliance Officer

9. After appropriate screening, the President of ScienceFriday, Inc. shall appoint a senior level administrator, reporting to the President, as Compliance Officer. The Compliance Officer shall be responsible for Compliance Program operations including, where appropriate, review of awards, development of training programs, and submission of comprehensive written annual reports to the President and NSF OIG on the status of compliance. The Compliance Officer shall monitor ScienceFriday, Inc.'s internal controls to ensure compliance with all applicable Federal laws and regulations regarding the use and expenditure of NSF Award funds.

iii. Compliance Committee

10. The Compliance Officer shall chair a Compliance Committee that shall be responsible for ensuring implementation of the Compliance Program throughout ScienceFriday,

Inc. In addition to the Compliance Officer, the members of the Compliance Committee shall include appropriately screened officers.

iv. Written Policies

11. As of the Effective Date, ScienceFriday, Inc. shall implement written policies regarding its commitment to ensure compliance with all laws and regulations related to the receipt of NSF awards. These policies shall be adopted by ScienceFriday, Inc. and distributed to all ScienceFriday, Inc. officers and relevant employees. Copies of ScienceFriday, Inc.'s written policies will be provided to NSF OIG within ten (10) days of implementation. They shall be included as part of the annual training and any policies modified during the term of this Compliance Program shall be included as part of the annual report sent to NSF OIG. Such policies shall be updated to reflect any changes in ScienceFriday, Inc.'s policies or practices. ScienceFriday, Inc.'s compliance policies shall include disciplinary procedures for dealing with employees who fail to meet the terms and conditions of NSF awards.

v. Posting and Displaying NSF OIG's Fraud Hotline Poster

12. During the period of the Compliance Plan, ScienceFriday, Inc. must:
- (1) prominently display NSF OIG's fraud hotline poster in common work areas in which ScienceFriday, Inc. personnel are performing work under any NSF award;
 - (2) post on its website an electronic version of the NSF OIG's fraud hotline poster in a manner easily accessible to ScienceFriday, Inc.'s relevant employees; and
 - (3) request that any subcontractor working on an NSF award post the NSF OIG's fraud hotline poster in its common areas.

B. Audit Requirements

13. ScienceFriday, Inc. shall engage a qualified external audit firm to conduct, on an annual basis, a comprehensive, independent audit of ScienceFriday, Inc.'s compliance with this agreement as well as all applicable Federal laws and regulations regarding the use and expenditure of NSF award funds, including the FAR and applicable NSF Award conditions. This audit shall include each component of ScienceFriday, Inc. that receives or has oversight responsibility with respect to NSF awards and shall be conducted in accordance with Generally Accepted Auditing Standards. Special attention shall be devoted to risk assessment and internal controls designed to ensure compliance with NSF requirements, including the certifications made on applications, progress reports, financial reports, and other reports related to NSF awards. The audit will also assess the efficacy of ScienceFriday, Inc.'s compliance program as to whether:

- (a) ScienceFriday, Inc. has established compliance standards and procedures to prevent and detect violations of law;

- (b) ScienceFriday, Inc.'s leadership is knowledgeable about such standards and procedures and whether a high level person is assigned or retained to direct, overall responsibility to ensure the implementation and effectiveness of the standards and procedures;
- (c) ScienceFriday, Inc. has made reasonable efforts to exclude from substantial authority any individual whom ScienceFriday, Inc. knew or should have known through exercise of due diligence, has a history of engaging in violations of law or other conduct inconsistent with an effective program to prevent and detect violations of law;
- (d) ScienceFriday, Inc. has made reasonable steps to communicate its compliance standards and procedures to relevant employees through effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities;
- (e) ScienceFriday, Inc. took reasonable steps to ensure that its program to prevent and detect violations of law is followed, to evaluate the effectiveness of the compliance standards and procedures, and to provide a system whereby ScienceFriday, Inc.'s employees and agents may report or seek guidance regarding potential or actual violations of law without fear of retaliation, including mechanisms that allow for anonymous reporting;
- (f) ScienceFriday, Inc.'s program to prevent and detect violations of law was enforced consistently through appropriate incentives and as necessary disciplinary measures for employees engaging in violations of law and for failing to take reasonable steps to prevent or detect violations of law; and
- (g) ScienceFriday, Inc. has taken reasonable steps, if a violation of law was detected, to respond appropriately and to prevent future violations of law, including making any necessary changes to the program for preventing and detecting violations of law.

14. The first annual report will be due twelve (12) months after the implementation of the Compliance Program specified in paragraph 7 above. All subsequent annual reports will be due on the anniversary of the first annual report.

15. ScienceFriday, Inc. will provide a working copy of the audit plan to NSF OIG thirty (30) days prior to the initiation of the audit. The audit plan will be designed to (1) ensure compliance with the terms and conditions applicable to any NSF awards, and (2) assess the efficacy of ScienceFriday, Inc.'s Compliance Program as outlined above. NSF OIG will have the right to require additional procedures if it determines, within ten (10) working days after receiving the advance working copy of the audit plan, that it lacks sufficient detail to ensure accomplishment of (1) and (2) above. ScienceFriday, Inc. will submit to NSF OIG a copy of the independent auditor's written report and findings as a supplement to the annual written reports required elsewhere in this Compliance Program. ScienceFriday, Inc. consents to the right of

inspection by NSF OIG of any final reports or work papers resulting from the independent annual audits as described above.

16. Any and all reviews conducted at ScienceFriday, Inc., which reveal situations that might constitute or indicate noncompliance with NSF requirements, are to be timely disclosed to the individual conducting the annual internal audit and the Compliance Officer.

C. Annual Written Reports

17. ScienceFriday, Inc. will annually provide NSF OIG with a written report identifying deficiencies discovered by the annual audits (described above) or any other audit or review and the corrective actions ScienceFriday, Inc. has undertaken to address such deficiencies. Such reports shall be due one (1) year after the implementation of the written procedures referred to in paragraph 7 above, and for each of the four (4) years thereafter. These reports shall include a certification by ScienceFriday, Inc.'s Compliance Officer that all deficiencies have been addressed to ensure ScienceFriday, Inc.'s compliance with all requirements of Federal law, regulations, and this Compliance Program.

18. All audit work papers and other supporting documents for audits or reviews of compliance with this Compliance Program shall be retained by ScienceFriday, Inc. for eight (8) years after the Effective Date and shall be made available to NSF and NSF OIG upon request.

19. A "material" violation or weakness is one that has a significant adverse impact on the administrative, financial, or programmatic aspects of NSF awards. ScienceFriday, Inc. has a duty to:

- a) Promptly report to NSF OIG every material violation or weakness discovered during any audit or review, remedy the material violation or weakness within thirty (30) days of learning of it, and provide to NSF OIG a written summary of the actions taken to correct it; or
- b) If ScienceFriday, Inc. is unable to remedy the material violation or weakness within thirty (30) days, ScienceFriday, Inc. will so inform NSF OIG immediately, provide regular status reports thereafter until the material violation or weakness is cured, and provide to NSF OIG a written summary of the actions being taken to correct it.

D. Training

20. ScienceFriday, Inc. shall institute and maintain a comprehensive training program designed to ensure that each officer and relevant employee is aware of all applicable laws, regulations, and standards of conduct that such individual is expected to follow with regard to NSF awards, and the consequences both to the individual and ScienceFriday, Inc. that will ensue from any violation of such requirements. Each officer and relevant employee shall receive at least two (2) hours of initial training that shall include a discussion of the contents of this Compliance Program as well as the relevant award requirements, and shall receive additional compliance training of at least two (2) hours on an annual basis. A schedule and topic outline of

the training shall be included in the annual report submitted to NSF OIG. A certificate will be placed in the personnel file of each officer and employee completing the training stating the date, topic, and hours of training received.

E. Confidential Disclosure Compliance Program

21. To the extent permitted by the laws of the States of Connecticut and New York, ScienceFriday, Inc. shall establish a confidential disclosure mechanism enabling ScienceFriday, Inc. and relevant employees to disclose anonymously to ScienceFriday, Inc.'s Compliance Officer any practices, procedures, or acts deemed by the employee to be inappropriate. ScienceFriday, Inc. shall make the confidential disclosure mechanism known to each relevant employee as part of the training described above. ScienceFriday, Inc. shall require the internal review of all such credible disclosures and ensure that proper follow-up is conducted. ScienceFriday, Inc. shall include in its annual report to NSF OIG a summary of communications received under the confidential disclosure program, and the results of the internal review and follow-up of such disclosures.

III. NSF OIG Inspection, Audit, and Review Rights

22. In addition to any other right that NSF OIG has pursuant to NSF award conditions or other authority, NSF OIG may examine and copy ScienceFriday, Inc.'s records for the purpose of verifying and evaluating: (a) ScienceFriday, Inc.'s compliance with the terms of this Compliance Program; and (b) ScienceFriday, Inc.'s compliance with any NSF requirements. ScienceFriday, Inc. shall make the records available at any reasonable time for inspection, audit, and/or reproduction. Furthermore, for purposes of this provision, NSF OIG may interview any ScienceFriday, Inc. employee at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and NSF OIG.

23. In the event that NSF OIG believes ScienceFriday, Inc. has breached any of its obligations under this Compliance Program, NSF OIG shall notify ScienceFriday, Inc.'s Compliance Officer of the alleged breach electronically or by other appropriate means, specifying the nature and extent of the alleged breach. ScienceFriday, Inc. will have thirty (30) days from receipt of the notice to: (a) cure said breach; or (b) otherwise satisfy NSF OIG that (1) it is in full compliance with this Compliance Program or (2) the breach cannot be reasonably cured within thirty (30) days, but that ScienceFriday, Inc. has taken effective action to cure the breach and is pursuing such action with diligence.

24. If, at the end of the thirty (30) day period described above, NSF OIG determines that ScienceFriday, Inc. continues to be in breach of any of its obligations under this Compliance Program, NSF OIG will inform ScienceFriday, Inc.'s Compliance Officer of its conclusion that ScienceFriday, Inc. is in default. NSF OIG may also take one or both of the following actions: (1) refer the matter to NSF to initiate proceedings to undertake appropriate administrative action, including but not limited to the suspension or termination of any or all NSF awards and/or suspension or debarment of ScienceFriday, Inc.; and/or (2) refer the matter to the United States Attorney's Office for civil enforcement.

25. Should any action to enforce or interpret this Compliance Program or to resolve any dispute hereunder be required, the Parties acknowledge the jurisdiction of the federal courts.

IV. Costs

26. ScienceFriday, Inc. shall bear its own costs, expenses, and fees in relation to implementation of this Compliance Program.

27. All costs, whether direct or indirect, incurred by or on behalf of ScienceFriday, Inc. in connection with the following are unallowable costs under the cost principles applicable to government awards (hereafter, "unallowable costs"): (1) the matters covered by this Compliance Program; and (2) the negotiation of this agreement (including attorney's fees) and Compliance Program.

28. These unallowable costs will be separately estimated and accounted for by ScienceFriday, Inc. and ScienceFriday, Inc. will not charge such unallowable costs directly or indirectly to any federal awards.

V. Modification

29. Any modification to this Compliance Program shall not be effective until a written amendment is signed by representatives duly authorized to execute such amendment.

VI. Integration Clause

30. This Compliance Program embodies the entire agreement and understanding of the Parties with respect to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in this Compliance Program and the agreement executed on September 15, 2014. This Compliance Program, together with the September 15, 2014 agreement, supersedes any and all prior agreements and understandings between the Parties with respect to this subject matter, except for the terms and conditions of individual awards.