



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* PENNSYLVANIA

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Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

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Pennsylvania State University to Pay \$151,000 to Resolve Potential False Claims Liability

HARRISBURG, PA - The United States Attorney's Office for the Middle District of Pennsylvania announced that Pennsylvania State University has agreed to pay the United States \$151,000 to resolve potential liability under the False Claims Act.

According to U.S. Attorney David J. Freed, the investigation arose from alleged mischarges to various grants and contracts from the National Science Foundation, the Department of the Navy, the National Aeronautics and Space Administration, and the Air Force. The grants and contracts were awarded to Penn State in 2012-2017 and the isolated alleged mischarges identified occurred in 2013-2016.

"We are fortunate in the Middle District of Pennsylvania to be the home of a major research university," said U.S. Attorney Freed. "Part of the important work that takes place at such institutions involves appropriate management of federal grants and contracts. When mischarges occur, investigative arms of federal grant-making entities have a responsibility to act to on behalf of the taxpayers. In this matter, a cooperative investigation among all parties has resulted in a fair settlement and appropriate policy changes to prevent a reoccurrence of such mischarges."

"The integrity of the DoD grant and contracting process is a top priority for the Defense Criminal Investigative Service (DCIS)," stated Special Agent in Charge Leigh-Alistair Barzey, DCIS Northeast Field Office. "The settlement agreement announced today is the result of a joint investigative effort and demonstrates the DCIS' commitment to work with the USAO-MDPA and its law enforcement partners to ensure that claims submitted to the U.S. Department of Defense by academic institutions are reasonable, allocable, allowable and supported by adequate documentation."

"Those who do business with the federal government must ensure they charge the US taxpayer appropriately. The Air Force Office of Special Investigations (OSI), along with its law enforcement partners, has, and always will, aggressively investigate and seek justice to protect the USAF procurement process and ensure the trust of the American taxpayer," stated Special Agent-in-Charge Jason T. Hein, OSI, Office of Procurement Fraud for the Air Force.

Pennsylvania State University cooperated with the investigation and has implemented policy changes to prevent mischarges in the future. The settlement agreement is not an admission of liability by Penn State.

This matter was investigated by the Naval Criminal Investigative Service, the NSF Office of Inspector General, the NASA Office of Inspector General, the Air Force Office of Special Investigations, and the Defense Criminal Investigative Service. The investigation was handled by Assistant United States Attorney, Tamara J. Haken and the Affirmative Civil Enforcement (ACE) Unit within the U.S. Attorney's Office.

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Component(s):

USAO - Pennsylvania, Middle

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