



Department of Justice

**United States Attorney Gregory K. Davis
Southern District of Mississippi**

FOR IMMEDIATE RELEASE

WEDNESDAY, FEBRUARY 1, 2017

www.justice.gov/usao-sdms

CONTACT: SHEILA WILBANKS

PHONE: (601) 965-4480

Jackson State University Agrees to Pay \$1.17 Million to Settle False Claims Act Allegations

Jackson, Miss - Jackson State University (JSU) has agreed to pay the United States \$1.17 million to settle allegations that JSU mismanaged National Science Foundation (NSF) Grants, announced U.S. Attorney Gregory K. Davis and Allison Lerner, Inspector General at the National Science Foundation.

During the time period, June 1, 2006 to September 30, 2011, JSU submitted claims and/or expended funds under NSF Grants and in so doing, impliedly certified that every claim and/or expenditure was supportable, allocable, and allowable and that JSU would maintain adequate records to support these claims and expenditures. In 2012, an audit of the NSF Grants performed under contract for the NSF Office of Inspector General ("NSF-OIG") identified salary and non-salary expenditures that were unallowable, not allocable, and/or had insufficient, inadequate and/or no supporting documentation. A subsequent NSF-OIG investigation determined that, in preparation for the audit, and subsequently in response to the preliminary audit findings, JSU employees fabricated time and effort reports and provided them to the auditors, and in some instances presented inadequate and/or no supporting documentation.

As part of the settlement, JSU has also agreed to take specific steps to prevent these events from reoccurring by instituting a compliance program, which includes a comprehensive training program on time and effort reporting and other aspects of federal grants management, for a five-year period beginning in February.

"Recipients of federally-funded grants must adhere to the regulations applicable to those grants and accurately report the required information. This settlement sends a strong signal to grant recipients that failure to follow the applicable requirements may lead to significant financial consequences," stated Gregory K. Davis, United States Attorney for the Southern District of Mississippi.

Allison Lerner, Inspector General at the National Science Foundation said, "Each year the National Science Foundation awards millions of dollars in grants to institutions to promote promising scientific research. Fabricating information to improperly obtain and spend scarce research dollars will not be tolerated. I commend the U.S. Attorney's Office for its effort in this settlement, which will require the return of \$1.17 million."

This case was the result of an investigation by NSF-OIG. Assistant United States Attorney Kristi H. Johnson and ACE Auditor Kim Mitchell handled the matter for the United States.

The claims settled by this agreement are allegations only, and there has been no determination of liability.

###