



# Department of Justice

United States Attorney David E. Nahmias  
Northern District of Georgia

FOR IMMEDIATE RELEASE

4/14/06

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

## **CLARK ATLANTA UNIVERSITY AGREES TO PAY \$5 MILLION TO SETTLE ALLEGATIONS OF MISUSE OF FEDERAL FUNDING**

Atlanta, GA - Clark Atlanta University has agreed to pay \$5 million to settle a federal whistleblower suit alleging that it violated the terms of a Cooperative Agreement it had with the United States Department of Energy between 1990 and 2002, David E. Nahmias, United States Attorney for the Northern District of Georgia, announced this morning. Clark Atlanta has also agreed to enter into a Compliance Agreement designed to ensure that future federal funds will be managed appropriately.

“This fair and appropriate settlement reflects the joint effort of the United States Attorney’s Office and the current administration of Clark Atlanta University” said United States Attorney David Nahmias. “We commend the current administration of Clark Atlanta for its cooperation in our investigation and for taking responsibility for errors made by its predecessors by entering into a settlement designed to correct those problems and make certain they do not happen again. Clark Atlanta’s willingness to enter into a Compliance Agreement demonstrates their commitment to full compliance with federal laws and regulations going forward.”

The lawsuit alleged that Clark Atlanta, acting as manager of a Consortium that included itself and sixteen other universities, received and retained approximately \$24 million under a Cooperative Agreement that Clark Atlanta had with the Department of Energy. The Consortium was created in 1990 to meet the Department of Energy’s anticipated needs for a workforce of scientists and engineers trained in environmental technology, environmental restoration, environmental health and waste management. The complaint alleged that under the terms of the Cooperative Agreement, Clark Atlanta was to use the funds for very specific purposes designed to further the goal of training a minority workforce in environmental sciences, but that Clark Atlanta did not in fact use the funds for those purposes.

The United States has agreed to dismiss the lawsuit in exchange for \$5 million and Clark Atlanta’s implementation of a Compliance Agreement. The Compliance Agreement requires Clark Atlanta to implement certain policies and procedures to ensure compliance with applicable statutes and regulations that govern the use of federal funds.

The whistleblower, or *qui tam*, suit was filed by Dr. August Curley, who was hired by Clark Atlanta as Program Manager for the Consortium in 1995. Under the federal *qui tam* statute, Dr. Curley's contributions to the case will be recognized with 22% of the \$5 million. The remaining \$3.9 million, plus interest, will be paid to the United States in installments over five years, ensuring a significant recovery of the misused federal funds while avoiding unwarranted damage to Clark Atlanta's ongoing mission of educating its students.

The investigation was handled by the United States Attorney's Office for the Northern District of Georgia, the Civil Division of the United States Department of Justice, the United States Department of Energy, Office of Inspector General and the Federal Bureau of Investigation.

For further information, please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney or Amy L. Berne, Chief, Civil Division through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is [www.usdoj.gov/usao/gan](http://www.usdoj.gov/usao/gan).