

**U.S. Department of Justice**

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PRESS RELEASE

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United States Reaches \$1,750,000 Settlement with the District of Columbia to
Resolve Allegations Regarding Fraudulent Misuse of Federal Grant Funds
by the District of Columbia Public Schools

Washington, D.C. – The United States has reached a \$1,750,000 settlement with the District of Columbia (“District”) to resolve allegations that the District of Columbia Public Schools (“DCPS”) falsely certified its eligibility to receive federal funds under the Migrant Education Program (“MEP”) and submitted or caused to be submitted false claims to the U.S. Department of Education for payment knowing that it was ineligible to receive MEP funds, U.S. Attorney Jeffrey A. Taylor and Mary Mitchelson, Deputy Inspector General of the U.S. Department of Education announced today.

Under the Migrant Education Program, the U.S. Department of Education provides funds to States and territories to assist state education agencies in providing appropriate educational services that address the special needs of migrant children. The regulations governing the Migrant Education Program enumerate specific criteria for state education agencies to use in identifying migratory children. The States and territories are responsible for providing to the U.S. Department of Education an accurate count of eligible migratory children residing within the State or territory.

The federal government alleged that the DCPS falsely certified that it had eligible migratory children residing in the District of Columbia. At the time DCPS is alleged to have fraudulently misused MEP funds, it was an independent agency under the supervision of the District of Columbia Board of Education. The DCPS is now a subordinate agency of the District of Columbia under the control of the Mayor.

According to the government's evidence, from 2001 to 2003, DCPS submitted annual certifications of its migrant child counts to the U.S. Department of Education and obtained MEP funding as a result of these submissions. In June 2005, a DCPS internal audit mandated by the U.S. Department of Education revealed that none of the children included in its child count for 2003 were eligible to participate in the Migrant Education Program. Further investigation confirmed that the DCPS submitted false certifications of its migratory child count from 2001 to 2003.

The U.S. Attorney's Office for the District of Columbia, in collaboration with the Civil Division of the U.S. Department of Justice, pursued recovery for the fraudulent use of the migrant grant funds under the False Claims Act. The District of Columbia agreed to pay \$1,750,000 to resolve these allegations. The District denied liability as part of the settlement.

“Recipients of federal grant funds must be responsible stewards to ensure that the funds are used for the intended beneficiaries,” said U.S. Attorney Taylor. “This resolution demonstrates our commitment to pursue aggressively the misuse of federal grant funds and hold the recipients accountable, whether they be individuals or governments.”

Deputy Inspector General Mitchelson stated, “This agreement corroborates the importance of accountability and maintaining the integrity of federal education.”

In announcing the settlement, U.S. Attorney Taylor and Deputy Inspector General Mitchelson commended members of the Office of Inspector General of the U.S. Department of Education. In particular, he praised the outstanding investigative efforts and assistance of OIG Special Agent Derrick Franklin, and OIG Special Agent in Charge William Hamel. In addition, they commended Assistant U.S. Attorney Paul A. Mussenden, who coordinated the civil investigation and settlement discussions.