



Department of Justice

**United States Attorney Donald R. Burkhalter
Southern District of Mississippi**

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CONTACT: SHEILA WILBANKS
PHONE: (601) 965-4480
FAX: (601) 965-4409

FORMER NASA CHIEF OF STAFF SENTENCED TO 41 MONTHS IN FEDERAL PRISON FOR CONSPIRACY INVOLVING \$600,000.00 NASA CONTRACT WITH MISSISSIPPI STATE UNIVERSITY

Gulfport, Miss - A former high-ranking National Aeronautics and Space Administration ("NASA") official, Courtney A. Stadd, 55, of Bethesda, Maryland, was sentenced in U.S. District Court today to serve 41 months in federal prison followed by 3 years of supervised release for conspiracy in connection with actions he took to obtain and receive funds from a \$600,000 sole-source contract from John C. Stennis Space Center to Mississippi State University ("MSU") on a remote sensing study, United States Attorney Donald R. Burkhalter and NASA Inspector General Paul K. Martin announced today. Stadd was also ordered to pay a fine of \$7,500 and restitution to NASA in the amount of \$287,000.

Stadd, who previously served as NASA Chief of Staff and White House Liaison, pled guilty to the charges in August, admitting that, beginning in 2004, he conspired with the NASA Deputy Chief Engineer of Programs to allocate approximately \$600,000 in NASA funds to one of his consulting clients, Mississippi State University, which subsequently subcontracted \$450,000 of those funds to Stadd's consulting business called Capitol Solutions, also known as Capitol Alliance Solutions. Prior to the award of the contract, Stadd and the above NASA official had reached an agreement wherein the NASA official would work on that same subcontract after he left NASA, which he did on January 22, 2005. Stadd received over \$287,000 on the subcontract and admitted to inflating hours billed and falsifying invoices to MSU. Stadd further admitted to sending two false Quarterly Reports to MSU in August of 2005 stating that Valador Incorporated of Herndon, Virginia, "a service-disabled, veteran-owned small aerospace business with extensive satellite engineering experience," was also working on the contract, when he knew that in fact, Valador Incorporated was not involved on that contract. Stadd admitted to having paid the former Deputy Chief Engineer over \$87,000 for his work on the subcontract. That Deputy Chief Engineer earlier plead guilty to a charge of conflict of interest.

In furtherance of the conspiracy, Stadd met with senior government officials in an ill-fated attempt to stop the NASA Office of the Inspector General from continuing to investigate his activities. Stadd admitted that, to further conceal the conspiracy, he created false documents in response to a Federal Grand Jury subpoena. The false documents included four invoices reflecting billing work unrelated to the Mississippi State University contract, documents purporting to calculate composite rates for billing Mississippi State University, and documents supporting the authorization for composite rates of billing when no such authorization existed.

Attorney Burkhalter and NASA Inspector General Martin commended the outstanding investigative work of the agents from the NASA Office of Inspector General and prosecutive work of the U.S. Attorneys Office in the Southern District of Mississippi. Further, they expressed their appreciation to officials from Mississippi State University for their cooperation throughout the investigation.

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