



# Department of Justice

UNITED STATES ATTORNEY SALLY QUILLIAN YATES  
Northern District of Georgia

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CONTACT: Patrick Crosby  
(404)581-6016  
FAX (404)581-6160

## **MOREHOUSE SETTLES MISUSE-OF-FUNDS CASE**

ATLANTA, GA-Atlanta-based Morehouse College has agreed to pay \$1.2 million to resolve a federal investigation of misuse of funds provided by the National Aeronautics and Space Administration (“NASA”) and the National Science Foundation (“NSF”) under grants which were awarded to promote enrollment in scientific fields of study by Morehouse students.

United States Attorney Sally Quillian Yates said of the agreement, “This settlement reflects the joint efforts of the United States Attorney's Office, NASA, NSF and Morehouse to resolve problems with misuse of federal grant funds by a former Morehouse employee. When funds are misused by individuals administering a grant, students – who are the intended beneficiaries – are among the real victims.”

“I commend the outstanding investigative efforts of the NASA and NSF agents and the work of the USAO for the Northern District of Georgia in reaching this agreement,” said NASA Inspector General Paul K. Martin. “Their teamwork resulted in a settlement that addresses an egregious misuse of public funds.”

“This settlement agreement is the result of the successful collaboration between the USAO, and the NSF and NASA Offices of Inspector General, who all worked together to send a strong signal that the misuse of federal funds intended to promote science education will not be tolerated,” said NSF Inspector General Allison C. Lerner. “Our office will continue to work vigorously to safeguard NSF funds from such abuse.”

The settlement resolves an investigation of improper expenditures of grant funds awarded to Morehouse by NASA and the National Science Foundation that were intended to encourage participation by students in the science, engineering, technology, and mathematics fields of study. That investigation revealed that a former employee at Morehouse responsible for administering the grants had expended some funds for purposes not permitted under the terms of the grant.

In addition to payment of \$1.2 million, Morehouse has agreed to implement a Compliance Program which is designed to ensure that funds awarded to Morehouse by NASA and NSF will be managed appropriately. The Compliance Program approved by NASA and NSF requires the appointment by the President of Morehouse of a senior level administrator to oversee Morehouse's compliance with federal requirements governing expenditures of NASA and NSF award funds; independent audits by Morehouse over the next five (5) years regarding expenditures of funds awarded by NASA and NSF; and submission of annual reports to NASA and NSF over the next five (5) years identifying any audit deficiencies and corrective actions taken.

The investigation was handled by the United States Attorney's Office for the Northern District of Georgia, the National Aeronautics and Space Administration Office of Inspector General and the National Science Foundation Office of Inspector General. NASA's Acquisition Integrity Program also provided significant support during the investigation. Morehouse cooperated with federal authorities during the investigation.

For further information please contact Sally Quillian Yates, United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, 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.justice.gov/usao/gan](http://www.justice.gov/usao/gan).