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JUSTICE NEWS

### **Department of Justice**

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, November 20, 2012

### Florida's Technological Research and Development Authority Pays \$15 Million to Resolve False Claims Allegations

Melbourne Airport Authority and Melbourne International Airport Settle Related Matter for \$4 Million

The Technological Research and Development Authority (TRDA) has agreed to pay \$15 million to resolve allegations that it violated the False Claims Act in connection with grants from the National Aeronautics and Space Administration (NASA) and the Economic Development Administration (EDA) of the Department of Commerce, the Justice Department announced today. TRDA, which was created by the Florida legislature as a special district, owns and operates a system of incubator facilities to nurture small businesses by providing low-rent office space and business development assistance.

TRDA and the Melbourne Airport Authority entered into an agreement to use NASA and EDA grant funds to construct an office building at the airport to be used as TRDA's headquarters and an incubator facility. In a lawsuit filed against TRDA, the United States alleged that construction of the office building was outside the scope of the NASA grants awarded to TRDA and contrary to the terms of the EDA grant awarded jointly to TRDA and the airport authority, which prohibited combining funds from more than one federal agency for the project. Under the terms of a consent judgment executed by TRDA, the special district has agreed to settle these allegations, and to wind down its operations.

Relatedly, the Melbourne International Airport and its governing body, the Melbourne Airport Authority, have agreed to pay the United States \$4 million to resolve alleged False Claims Act violations based on the same events described in the government's lawsuit against TRDA.

"The government encourages economic development through grants such as those awarded here, but entities that expend these funds must ensure that they are doing so in a manner consistent with the terms and conditions of the grants," said Stuart F. Delery, Principal Deputy Assistant Attorney General

for the Civil Division. "As this settlement demonstrates, the Department of Justice will hold accountable those who fail to take reasonable steps to avoid the use of federal funds in a manner contrary to grant requirements."

"The consent judgment and settlement are testament to the commitment of the NASA Office of Inspector General and the Department of Justice to ensure that public funds are used appropriately," said NASA Inspector General Paul Martin.

This case was handled by the Justice Department's Civil Division and NASA's Office of General Counsel, Acquisition Integrity Program, and Office of Inspector General. The claims settled by the agreements are allegations only; there has been no determination of liability.

The lawsuit against TRDA was filed in the United States District Court for the Southern District of Mississippi and is captioned United States v. Technological Research and Development Authority, No. 1:12-cv-00065-LG-JMR.

12-1397 Civil Division

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