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NORTHERN DISTRICT *of* WEST VIRGINIA

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Department of Justice

U.S. Attorney's Office

Northern District of West Virginia

FOR IMMEDIATE RELEASE

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Federal grant fraud claims settled with Wheeling Jesuit University

WHEELING, WEST VIRGINIA – Wheeling Jesuit University will pay the United States the sum of \$2,300,000 to settle claims that it misused grant funding awarded by the National Aeronautics and Space Administration, the United States Department of Labor, and the National Science Foundation, United States Attorney William J. Ihlenfeld, II, announced today.

The settlement agreement ends an investigation into allegations that the University failed to comply with rules and regulations governing the allocation of costs and expenses associated with several federal grant awards. The University is alleged to have improperly mischaracterized costs, incurred impermissible costs, and misused federal funds and property acquired with federal funds from 2003 to 2010. The settlement, signed today by Ihlenfeld and previously executed by University officials, resolves False Claim Act violations that the United States was prepared to pursue. The agreement does not preclude criminal charges against individuals involved in the grant fraud.

"Wheeling Jesuit University applied to the federal government and received many millions of dollars in funding but failed to follow the rules that came with the resources," said U.S. Attorney Ihlenfeld. "Grantees must use federal money for the purpose for which the grant was given, and for nothing else. The rules are clear, and they exist to ensure that tax dollars are spent appropriately. Educational institutions, like everyone else, must be held accountable when the rules are broken. I'm hopeful that this agreement will allow the University to move forward and to continue to be an important and integral part of our community."

The allegations arose as the result of an audit conducted by the National Aeronautics and Space Administration which led to the execution of a federal search warrant at University offices and elsewhere in February of 2012. The settlement also addresses the ownership of the National Technology Transfer Center building on the University's campus. The building was constructed in accordance with a federal grant from the National Aeronautics and Space Administration. Pursuant to the settlement agreement, the University will retain ownership of the building.

The government was represented in the matter by Assistant U.S. Attorney Alan McGonigal.

Criminal Justice

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