

**PRESS RELEASE**

# Georgia Tech and Georgia Tech Research Corporation pay \$90,000 to resolve allegations of violations of the False Claims Act

Thursday, November 30, 2023

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**For Immediate Release**

U.S. Attorney's Office, Northern District of Georgia

ATLANTA – The Georgia Institute of Technology (“Georgia Tech”) and Georgia Tech Research Corporation (“GTRC”) have agreed to pay \$90,000 to resolve allegations that they violated the False Claims Act by failing to exercise proper oversight sufficient to allow them to detect the submission of false claims to the National Science Foundation (“NSF”).

“Federal grants and awards come with known ‘rules of the road,’” said U.S. Attorney Ryan K. Buchanan. “Organizations that receive federal funds – especially schools and universities that are pillars of our community – must take steps to ensure that their employees are following the rules. This settlement represents our office’s commitment to ensuring accountability for institutions that fail to live up to these obligations.”

The government’s investigation concerned an NSF Industry-University Cooperative Research Center (“IUCRC”) grant. The IUCRC program fosters pre-competitive research through multi-member collaborations among industry, academic, and government partners. The award at issue was made to a project entitled the “Center for Health Organization Transformation.”

“The IUCRC program is a valuable tool in advancing NSF’s mission to promote the progress of science by developing long-term partnerships among industry, academia, and government,” said Allison Lerner, NSF’s Inspector General. “The NSF Office of Inspector General is committed to vigorously pursuing oversight of taxpayer funds and protecting the integrity of this important

program. We are pleased that Georgia Tech changed its practices to better safeguard IUCRC funds, and I commend the U.S. Attorney's Office for its strong support in this effort."

The settlement amount is in addition to \$105,000 that Georgia Tech has already returned to the NSF in connection with this award. As part of the settlement, Georgia Tech and GTRC agreed to implement training requirements for employees that handle IUCRC grants and a procedure for employees to report material instances of noncompliance with NSF award requirements.

The settlement resolves allegations that from April 2014 to March 2019, Georgia Tech and GTRC failed to engage in proper oversight of the grant program, which led to Georgia Tech and GTRC's failure to detect and prevent the submission of false claims to NSF concerning the number of industry members participating in the Center for Health Transformation and the amount of membership fees paid or received on membership certifications for the award. Industry participation is a core component of the IUCRC model. Although NSF awards act as seed money for centers, the program requires industry members to provide the primary base of financial support.

The investigation of this matter was handled by Assistant U.S. Attorneys Akash Desai and Austin M. Hall. The claims resolved by the settlement are allegations only, and there has been no determination of liability.

For further information please contact the U.S. Attorney's Public Affairs Office at [USAGAN.PressEmail@usdoj.gov](mailto:USAGAN.PressEmail@usdoj.gov) or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

*Updated November 30, 2023*

## Topic

**FALSE CLAIMS ACT**

## Component

[USAO - Georgia, Northern](#)