



Morgan State University Professor Convicted In Scheme To Defraud The National Science Foundation And For Obtaining Kickbacks From Students' Stipends

Fraudulently Obtained \$200,000 and Attempted to Obtain Another \$500,000 through a National Science Foundation Small Business Program

FOR IMMEDIATE RELEASE

April 1, 2014

Baltimore, Maryland - A federal jury convicted Manoj Kumar Jha, age 46, of Severn, Maryland, today of wire fraud, mail fraud, falsification of records, and theft of government property in connection with a scheme to fraudulently obtain research grants from the National Science Foundation (NSF) and kickbacks from students' stipends.

The conviction was announced by United States Attorney for the District of Maryland Rod J. Rosenstein and Allison Lerner, Inspector General at the National Science Foundation.

"The Small Business Technology Transfer Program supports research performed cooperatively between small businesses and research institutions," said Allison Lerner, National Science Foundation Inspector General. "This conviction of guilt on seven counts, including obstruction of justice and theft of government property, sends a strong signal to anyone who would seek to defraud this program and divert taxpayer dollars intended for scientific research to personal use. I commend the U.S. Attorney's office for its strong support in this case."

According to trial testimony, from January 2008 through July 2009, Jha fraudulently obtained \$200,000 in grant funds from the National Science Foundation's (NSF) Small Business Technology Transfer (STTR) program to fund a highway project, and attempted to obtain another \$500,000 through the same program. Jha converted the funds to his personal use. For example, Jha made payments on his mortgage and personal credit card and authorized approximately \$11,000 in salary payments to his wife, who performed no NSF-related work.

Jha, a full time professor at Morgan State University, incorporated Amar Transportation Research and Consulting, Inc. (ATRC), and was its president and only director. Trial evidence showed that Jha submitted funding proposals on behalf of ATRC to the STTR. The stated purpose of Jha's proposed project was to enhance current models used by highway planners to optimize horizontal and vertical highway routes, and ultimately, to commercialize the result. In his application for STTR funding, Jha listed himself as the principal investigator and the University of Maryland as the CRI. Under the STTR, the primary employment of the principal investigator must be with the small business at the time of the award; and at least 40% of the research must be performed by the small business and 30% by a collaborating research institution (CRI), as measured by the budget.

Trial evidence was presented that in his applications, Jha falsely represented that: he would secure "release time" or negotiate other leave options with Morgan State University in order to spend time at ATRC working on the highway project; that ATRC had eight employees; and that another Morgan State professor would be working for ATRC as a Senior Scientific Advisor. In fact, Jha remained employed full time as a professor at Morgan State and that none of the statements were true. Jha also misrepresented the involvement of the University of Maryland in conducting research on the project and further misrepresented that he had obtained a \$100,000 investment from a third party in order to qualify for matching funds from NSF.

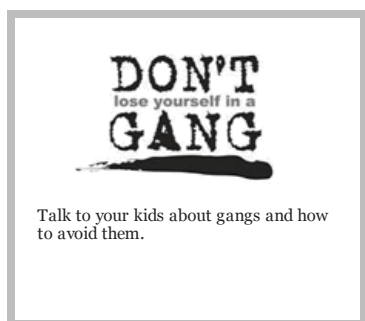
On February 15, 2011, an investigator with the Office of Inspector General (OIG) for the NSF sent Jha a letter requesting copies of documents, including a list of all individuals who worked on the highway project and their time sheets, and the company's expenditure ledger detailing all budget categories, as part of a proactive OIG review of ATRC's compliance with laws, regulations, and conditions in connection with the NSF grant. On March 11, 2011, Jha provided, through his attorney, biweekly, signed time sheets purportedly maintained by Jha for a research scientist who worked on the highway project from October 1, 2008 until September 8, 2009. The time sheets were created by Jha only after receiving the OIG letter, and in such a way as to give the false appearance that the time sheets had been maintained and signed



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contemporaneously with the research scientist's work. Jha also provided a copy of ATRC's expenditure ledger as of September 10, 2009, in which he entered fictitious research expenses in order to conceal the fact that NSF funds had been converted to Jha's personal use.

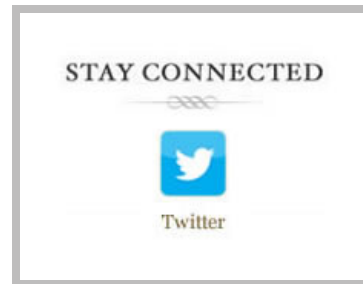
Finally, between March 4, 2008 and June 30, 2012, Morgan State University received federal funds under two subcontracts funded by the U.S. Department of Defense. Jha served as Morgan State's Principal Investigator for those contracts and authorized stipend payments totaling approximately \$100,000 to Morgan State University students working on those contracts. Trial evidence showed that between July 25, 2009 and July 24, 2010, Jha told some students who received stipend payments that they had to return a portion of the stipend funds to him, offering various false and misleading reasons. Some students returned a portion of their stipend to Jha, which Jha then used to pay personal expenses. The evidence showed that approximately \$36,000 in stipend funds returned to Jha by Morgan State University students were deposited into Jha's personal bank account

Jha faces a maximum sentence of 20 years in prison for each of four counts of wire fraud, and for one count each of mail fraud and falsification of records; and a maximum sentence of 10 years in prison for theft of government property. U.S. District Judge Ellen L. Hollander scheduled sentencing for July 11, 2014, at 10:00 a.m.

Today's announcement is part of efforts underway by President Obama's Financial Fraud Enforcement Task Force (FFETF) which was created in November 2009 to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets and conducting outreach to the public, victims, financial institutions and other organizations. Over the past three fiscal years, the Justice Department has filed more than 10,000 financial fraud cases against nearly 15,000 defendants including more than 2,700 mortgage fraud defendants. For more information on the task force, visit www.stopfraud.gov.

United States Attorney Rod J. Rosenstein thanked the National Science Foundation, Office of Inspector General for its work in the investigation and thanked the Department of Transportation Office of Inspector General for its assistance. Mr. Rosenstein praised Assistant U.S. Attorney Martin J. Clarke and Special Assistant U.S. Attorney Fara Damelin, Investigative Attorney with the Office of Inspector General for the National Science Foundation, who are prosecuting the case.

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