



Department of Justice

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Former NASA Chief of Staff Charged in Scheme to Commit Conspiracy, Major Fraud and Obstruction in a \$600,000 NASA Contract to Mississippi State University

JACKSON, MS – A former high-ranking National Aeronautics and Space Administration (NASA) official, Courtney A. Stadd, 55, of Bethesda, Maryland, has been indicted by a federal grand jury in connection with actions he took to obtain and receive funds from a \$600,000 sole-source contract from NASA's Stennis Space Center to Mississippi State University for a remote sensing study, United States Attorney Donald R. Burkhalter and NASA Inspector General Paul K. Martin announced today.

The nine-count indictment, which was returned on December 2, 2009, by a federal grand jury in the Southern District of Mississippi, charges Stadd with one count of Conspiracy, in violation of 18 U.S.C. § 371, two counts of False Statements, in violation of 18 U.S.C. § 1001(a)(1) and (a)(3), four counts of False Claims, in violation of 18 U.S.C. § 287, one count of Obstructing a Grand Jury Investigation, in violation of 18 U.S.C. § 1503, and one count of Major Fraud, in violation of 18 U.S.C. § 1031. If convicted, Stadd faces up to fifty-five years of imprisonment on the charges. At the arraignment today before Chief United States Magistrate Judge John M. Roper, Sr., Stadd pled not guilty to all charges. Stadd is scheduled to go to trial before U.S. District Judge Halil S. Ozerden on March 1, 2010.

According to the indictment, beginning in 2004 Stadd, who previously served as NASA Chief of Staff and White House Liaison, conspired with the NASA Deputy Chief Engineer of Programs to steer approximately \$600,000 in NASA funds to one of Stadd's clients, Mississippi State University, who subsequently subcontracted \$450,000 to Stadd's consulting business called Capitol Solutions. Prior to the award to Mississippi State University, Stadd and the above NASA official had reached an agreement under which the NASA official would work on the contract when he left NASA. During the time alleged, the former Deputy Chief Engineer of Programs received over \$87,000 from Stadd and Capitol Solutions.

The indictment also alleges that Stadd submitted four inflated invoices for work he claimed was completed from January to April 2005 to Mississippi State University in connection with MSU's contract with NASA. During this period, Stadd billed Mississippi State University \$230,462, claiming he worked 1,525 hours while knowing that he had not performed and could not have worked the hours claimed. To further the scheme, Stadd submitted two false quarterly reports in August of 2005 stating that Valador Incorporated, "a service-disabled, veteran-owned small aerospace business with extensive satellite engineering experience" in Herndon, Virginia, was also working on the contract when he knew that Valador Incorporated was not involved with this matter.

The indictment further alleges that Stadd did corruptly endeavor to influence, obstruct and impede the due administration of justice a federal grand jury investigation of his activities by manufacturing or altering or directing the manufacturing or altering of documents which were produced in response to a subpoena issued on January 6, 2006, to his business. The documents include four invoices allegedly from an individual known to the Grand Jury, reflecting billing work unrelated to the Mississippi State University contract, documents involving the composite rates for billing Mississippi State University and documents supporting the authorization for composite rates of billing when no such authorization had occurred.

“Without timely detection and prosecution of fraudulent contractors, new opportunities for space exploration and discovery at NASA would be limited, not by the abilities of NASA’s personnel but by greedy individuals diverting already limited funds from the agency’s intended use,” said U.S. Attorney Burkhalter.

In announcing the indictment, U.S. Attorney Burkhalter and NASA Inspector General Martin acknowledged the efforts of special agents from the NASA Office of Inspector General and Assistant U.S. Attorneys Jay Golden, John Dowdy, and Alyssa Farrell who are prosecuting the case.

Criminal indictments are only charges and not evidence of guilt. A defendant is presumed to be innocent until and unless proven guilty.

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