



Department of Justice

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Nonprofit Organization and Its Management Company Agree to Pay Over \$500,000 to Resolve Allegations of Grant Fraud

LEXINGTON, Ky. - The National Association of State Chief Information Officers, Inc. (NASCIO) and American Management Resources, Inc. (AMR) have agreed to pay the United States \$528,575.82 to resolve allegations that they violated the False Claims Act by making false and misleading statements in connection with obtaining grants from the Department of Justice's National Justice Information Sharing Initiative.

This civil settlement resolves allegations that NASCIO failed to disclose conflicts of interest related to its contract with AMR that were required to be disclosed under the grant program's rules. The United States contends that the failure to disclose these conflicts of interest resulted in the DOJ approving grant funding that NASCIO would not have otherwise been awarded.

"This settlement sends a clear message that recipients of federally funded grants must strictly adhere to the regulations applicable to those grants and fully and fairly disclose the information called for under these grants," stated Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky. "Both NASCIO and AMR have responsibly and expeditiously addressed the concerns raised by the United States, and we expect other grant recipients who do not follow the applicable regulations will do the same."

"This investigation demonstrates the DOJ-OIG's commitment to ensure that tax payer dollars are used appropriately, and that only authorized grant recipients who follow regulations and provide full disclosure to the government receive DOJ grant funds," stated William J. Hannah, Special Agent in Charge of the U.S. Department of Justice Office of the Inspector General's (DOJ-OIG) Chicago Field Office.

This case was a result of an investigation by the DOJ-OIG Chicago Field Office and the United States Attorney's Office for the Eastern District of Kentucky. Assistant United States Attorney Jennifer A. Williams handled the matter for the United States. The claims settled by this agreement are allegations only, and there has been no determination of liability.

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