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Duke University Agrees to Pay U.S. \$112.5 Million to Settle False Claims Act Allegations Related to Scientific Research Misconduct

Duke University has agreed to pay the government \$112.5 million to resolve allegations that it violated the False Claims Act by submitting applications and progress reports that contained falsified research on federal grants to the National Institutes of Health (NIH) and to the Environmental Protection Agency (EPA), the Justice Department announced today.

“The resources utilized by NIH and EPA to fund important research and clinical programs across the nation are limited,” said Assistant Attorney General Jody Hunt for the Department of Justice’s Civil Division. “Today’s settlement demonstrates that the Department of Justice will pursue grantees that knowingly falsify research and undermine the integrity of federal funding decisions.”

“Taxpayers expect and deserve that federal grant dollars will be used efficiently and honestly. Individuals and institutions that receive research funding from the federal government must be scrupulous in conducting research for the common good and rigorous in rooting out fraud,” said Matthew G.T. Martin, United States Attorney for the Middle District of North Carolina. “May this serve as a lesson that the use of false or fabricated data in grant applications or reports is completely unacceptable.”

Duke is a private university located in Durham, North Carolina. Duke receives millions of dollars in funding from NIH and the EPA for hundreds of grants each year. The settlement resolves allegations that between 2006 and 2018, Duke knowingly submitted and caused to be submitted claims to the NIH and to the EPA that contained falsified or fabricated data or statements in thirty (30) grants, causing the NIH and EPA to pay out grants funds they otherwise would not have. Specifically, the United States contends that the results of certain research related to mice conducted by a Duke research technician in its Airway Physiology Laboratory, as well as statements based on those research results, were falsified and/or fabricated.

“Duke knowingly, the government contended, falsified data to claim millions of grant dollars from the National Institutes of Health,” said Maureen R. Dixon, Special Agent in Charge, Office of Inspector General for the U.S. Department of Health and Human Services. “OIG and our law enforcement partners will continue to hold such grantees fully accountable regardless of the length or complexity of the investigations.”

“This settlement sends a strong message that fraud and dishonesty will not be tolerated in the research funding process,” said EPA Acting Region 4 Administrator Mary S. Walker. “We will continue to take appropriate legal measures to ensure a fiscally sound system that protects grant funds.”

The allegations were originally brought in a lawsuit filed by Joseph Thomas, a former Duke employee, under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government and share in any recovery. The Act permits the government to intervene in and take over the whistleblower’s suit, or, as in this case, for the whistleblower to pursue the action on the government’s behalf. Mr. Thomas will receive \$33,750,000 from the settlement.

The investigation and settlement in this matter were the result of a coordinated effort by the Civil Division's Commercial Litigation Branch, the U.S. Attorney's Offices for the Middle District of North Carolina and the Western District of Virginia, the Department of Health and Human Services Office of Inspector General, and the Environmental Protection Agency Office of Inspector General.

The claims settled by this agreement are allegations only, and there has been no determination of liability. The case is captioned *United States ex rel. Thomas v. Duke University, et al.*, Case No. 1:17-cv-276 (M.D.N.C.).

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