



U.S. Department of Justice

**Channing D. Phillips**  
*United States Attorney for the  
District of Columbia*  
Judiciary Center  
555 Fourth St. N.W.  
Washington, D.C. 20530

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## PRESS RELEASE

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**For Information Contact:**

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### **Milton S. Eisenhower Foundation and Its Principal Agree to Settle False Claims Act Allegations for More Than \$150,000**

WASHINGTON - The Milton S. Eisenhower Foundation and its principal, Dr. Alan Curtis, have agreed to a settlement worth more than \$150,000 to resolve allegations that they submitted false claims for payments of grant funds awarded by the U.S. Department of Justice.

The settlement was announced today by Channing D. Phillips, U.S. Attorney for the District of Columbia, and Michael E. Horowitz, Inspector General for the Department of Justice.

The Justice Department's Office of Justice Programs awarded federal grants to the Washington, D.C.-based foundation, a non-profit that specializes in issues involving inner cities and the disadvantaged. The settlement resolves disputed claims that the foundation and Dr. Curtis misused grant funds in violation of the federal False Claims Act.

Specifically, the foundation and Dr. Curtis are settling civil liabilities stemming from allegations that they improperly used grant funds to rent office space in Dr. Curtis's own home; make sub-grants to organizations affiliated with the foundation's trustees; engage in projects outside the scope of the foundation's grant budgets; retain a lobbyist; and retain a foundation trustee to provide consulting services.

The U.S. Attorney's Office for the District of Columbia and the Office of the Inspector General of the Department of Justice jointly investigated this matter.

"This settlement reflects the United States' commitment to ensure that its grant funds are being used as intended to further the important policy objectives of the United States," said U.S. Attorney Phillips. "The government expects that those receiving grant funds will adhere to the rules and requirements controlling their use and not knowingly expend such funds on clearly prohibited items."

“Grantees should understand that the United States will vigorously investigate allegations that they have failed to adhere to applicable rules, regulations, or award conditions,” said Kenneth R. Dieffenbach, Acting Special Agent in Charge of the Department of Justice’s Office of the Inspector General’s Fraud Detection Office. “It is imperative for the United States to protect taxpayers by seeking the recovery of grant funds, wherever and whenever it is appropriate.”

Recipients of grant funds are required to adhere to applicable rules and regulations, and the terms of the applicable agreements, regarding their use. These authorities generally prohibit recipients from engaging in self-dealing or activities giving rise to conflicts of interest without appropriate approvals. The United States also expressly prohibits recipients from using grant funds to lobby Congress. The settlement resolves claims that the foundation, at the direction of Curtis, knowingly violated these proscriptions.

This settlement illustrates the government’s emphasis on combatting grant fraud. One of the most powerful tools in this effort is the False Claims Act. Since fiscal year 2009, the Justice Department has recovered a total of more than \$31.3 billion through False Claims Act cases.

The settlement agreement is neither an admission of liability by the foundation or Dr. Curtis nor a concession by the United States that the claims are not well-founded. The parties agreed to resolve the matter without litigation.

In announcing the agreement, U.S. Attorney Phillips and Inspector General Horowitz commended the work of those who investigated the case from the U.S. Attorney’s Office for the District of Columbia and the Office of the Inspector General of the Department of Justice. They also acknowledged the efforts of Assistant U.S. Attorney Brian P. Hudak, who handled the matter.

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