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**CHICAGO-BASED NTIC TO PAY U.S. \$550,000 TO SETTLE
ALLEGED MISUSE OF DOJ FUNDS TO LOBBY CONGRESS**

CHICAGO – The National Training and Information Center (NTIC), a national organizing, policy, research, and training center for grassroots community organizations, has agreed to pay the United States \$550,000 to settle a federal lawsuit alleging that it improperly used approximately \$207,000 in U.S. Department of Justice grant money to lobby Congress regarding the award of future grants, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, announced today.

Chicago-based NTIC, which assists community organizations “dedicated to building power to reclaim our democracy and advance a far-reaching racial and economic justice agenda,” according to its web site, is required to pay the full settlement amount by June 8, according to the agreement. The settlement resolves a civil lawsuit that the United States filed against NTIC in 2006 in U.S. District Court in Chicago.

According to the settlement, NTIC applied for and received federal grant funds in 2000, 2001 and 2002 through the Justice Department’s Office of Justice Programs to operate a Community Justice Empowerment Project in specific communities. NTIC, which is located at 810 North

Milwaukee Ave., Chicago, received an initial award of \$1 million in 2000, and three supplemental awards as follows: \$1,097,580 and \$75,000, both in 2001, and \$990,000 in 2002, for a total of \$3,162,580.

The government claimed that between July 1, 2000, and Dec. 31, 2002, NTIC improperly claimed and received disbursements of DOJ grant funds for the costs NTIC incurred in lobbying members of Congress and employees of members of Congress for the award of future federal grants to NTIC. Between July 2000 and September 2002, NTIC hosted four mandatory national training conferences in Washington, D.C., during which NTIC spent \$207,131 in federal grant funds for transportation, food and lodging expenses for NTIC personnel and sub-grantee staff and leaders, according to the settlement agreement, which was filed on May 29.

Federal rules and regulations prohibit federal funds from being used to pay any person for influencing or attempting to influence a member of Congress or Congressional employees in connection with a grant. NTIC's use of federal grant funds to pay for lobbying expenses also allegedly violated the special conditions of the grant and supplements, and was neither reasonable nor allocable to the grant and supplements.

“We are committed to ensuring that Justice Department grant monies allocated for worthwhile community initiatives are expended for the purposes that were approved, and are not used for any impermissible costs, such as lobbying Congress to provide more money in the future, as alleged in this case,” Mr. Fitzgerald said.

The lawsuit alleged violations of the federal False Claims Act, as well as breach of contract. Under the False Claims Act, defendants may be liable for three times the amount of actual damages that the United States incurred as a result of the false claims. In all civil cases, the government has

the burden of proof by a preponderance of the evidence. The settlement agreement states that NTIC does not admit any liability, and it settled to avoid the delay, uncertainty and expense of protracted litigation. The case is *United States v. National Training and Information Center*, No. 06 C 7076 (N.D. Ill.).

The Government was represented by Assistant U.S. Attorney Michele Fox. The case was the result of an audit and investigation by the Justice Department's Office of the Inspector General.

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