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**FEBRUARY 26, 2004  
FOR IMMEDIATE RELEASE**

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**JOHNS HOPKINS UNIVERSITY AND JOHNS HOPKINS BAYVIEW MEDICAL  
CENTER TO PAY \$2.6 MILLION TO SETTLE WHISTLEBLOWER COMPLAINT  
UNDER THE FALSE CLAIMS ACT**

BALTIMORE, MD.--United States Attorney Thomas M. DiBiagio announced today that Johns Hopkins University and Johns Hopkins Bayview Medical Center will pay the United States more than \$2.6 million to settle allegations that the institutions violated the False Claims Act with regard to claims in connection with federally sponsored research grants. The government alleged that Johns Hopkins misled the United States into paying more money than the University was lawfully entitled to receive.

For example, the government alleged that in completing applications for research grants sponsored by the National Institutes of Health or other federal agencies, Johns Hopkins researchers overstated the percentage of work effort that they were able to devote to the grants. Similarly, in drawing down funds on such grants, Johns Hopkins overstated the percentage of effort that personnel had actually worked on the grants. The government alleged that these overstatements of effort were caused in part by the failure to maintain adequate compliance mechanisms to reconcile proposed effort commitments with actual effort devoted to the grants as

required by federal regulations. Johns Hopkins also is alleged to have obtained federal money that it was not entitled to receive by applying erroneous fringe benefits rates to the grants. The clinical research grants at issue were awarded from January 1994 through December 2000, and many involved the Addiction Treatment Services Program at Johns Hopkins Bayview Medical Center and its director, Robert K. Brooner, PhD.

“The United States must maintain the integrity of the grant application and funding process for research. It is important that universities and other institutions properly use federal research funds, ” said United States Attorney DiBiagio.

The defendants have denied the allegations.

The lawsuit was originally filed in May 1999 on behalf of the United States by Faye Grau, an employee of Johns Hopkins Bayview Medical Center, under the qui tam or whistleblower provisions of the False Claims Act. The qui tam provisions allow private parties to sue entities and individuals that have submitted false claims to the federal government and to receive a portion of the settlement if the government takes over the case and reaches a monetary agreement with the defendant. As a result of the settlement, Ms. Grau will receive \$439,582 of the total recovery as her statutory award.

In addition to the monetary settlement, Johns Hopkins has agreed to work with the NIH Division of Grants Compliance and Oversight to address any necessary corrective actions or compliance activities to ensure the future integrity of the grants process.

The United States Attorney’s Office received analytical support in this case from the National Institutes of Health Division of Program Integrity in Rockville, Maryland. The investigation was handled by Assistant U.S. Attorney Roann Nichols and the Office of the Inspector General for the Department of Health and Human Services.