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Duke University Agrees to Pay \$112.5 Million to Settle False Claims Act Violations

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On March 25, 2019, the Department of Justice announced that Duke University will pay \$112.5 million to resolve allegation that it violated the False Claims Act. Researches from the university allegedly submitted application and reports containing falsified data to win more than two dozen grants from the National Institutes of Health (NIH) and the Environmental Protection Agency (EPA).

Duke University, a private university in Durham North Carolina, regularly submits application to the NIH and EPA and wins hundreds of grants each year. The allegations of falsified data were brought by Joseph Thomas, a research analyst who worked in Duke's pulmonary division. He alleged that the fraud took place between 2006 and 2013. The settlement, however, is resolving allegations covering 2006 to 2018.

"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."

The suit alleges that the faked research was conducted by former research technician Erin Potts-Kant. The lab in question experimented with mice, seeking to determine the effects of inhaling diesel exhaust, among other tests. Several research papers by the team have since been retracted. University officials on Monday also revealed that they discovered possible research misconduct in 2013 leading Ms. Potts-Kant to be fired for embezzling funds. Ms. Potts-Kant later pleaded guilty to two counts of forgery and paid restitution.

"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."

The scope for fraud by private companies in an operation as large and complex as this is massive, and whistleblowers and qui tam law firms are key to this fight. Joseph Thomas will be receiving at least \$30 million for his assistance as a whistleblower.

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