



# Official Statement

Office of Marketing and Communications



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## CLARK ATLANTA UNIVERSITY SETTLES DEPARTMENT OF JUSTICE LAWSUIT

**ATLANTA** (April 14, 2006) -- Clark Atlanta University (CAU) has agreed to refund \$5 million to settle allegations of program, reporting and accounting deficiencies associated with a Cooperative Agreement it entered into with the Department of Energy in 1990.

CAU entered into the agreement less than two years after the consolidation between Clark College and Atlanta University in 1988. The University's system of grants administration during the early 1990s, coupled with the increased demands on its staff, proved insufficient to the task of effectively administering the DOE Cooperative Agreement.

Once the deficiencies were identified, CAU voluntarily took steps to install stronger controls in its system of grants administration. The addition of experienced personnel in grants administration over recent years has enabled the University to meet the current requirements of all federal programs. The current Board of Trustees has instructed staff to institute a formal compliance system and to take any other steps necessary to assure that this situation can never happen again.

"The University has upgraded its administration and management practices, installed controls and is implementing a compliance system that will prevent errors like this from occurring in the future," said President Walter D. Broadnax. "When the current Board of Trustees realized that these mistakes had occurred under a prior administration, CAU took the responsibility to resolve these issues. Despite the settlement, our University is stronger financially today than it has been in recent years. We remain committed to providing a superior learning environment for our current and future students."