



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-03-09-0036

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Pursuant to receipt of a referral from the Office of Audit, this investigation was initiated to determine whether representatives of the University of California, Berkeley (UCB) intentionally submitted proposed budgets and claimed costs for Research Management related Services (RMS), knowing that the costs had been determined unallowable pursuant to a directive from the Department of Health and Human Services (HHS), the cognizant Federal agency.

We reviewed the documentation associated with the audit, and then visited UCB and conducted investigative interviews of several UCB officials. The interviews disclosed no evidence that UCB officials fraudulently submitted proposed budgets and charges for RMS. UCB officials had appealed the HHS determination, believed their position was correct, and were optimistic that they would prevail. When the HHS determination was affirmed, UCB reimbursed NSF \$1,280,873 for RMS charges to NSF awards.

In connection with this investigation and over the past two years, UCB has been developing a new policy regarding campus research support. Ultimately, UCB provided OIG with a copy of the University's new policy, "Report on Campus Research Support Policy", dated March 1, 2005.

UCB officials stated that the new policy and training of UCB personnel will insure RMS related charges are handled in a manner consistent with federal requirements.

Accordingly, this case is closed.