

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: June 24, 1997

To: I96040024

From: [REDACTED] Special Agent [REDACTED]

Via: [REDACTED] Special Agent-in-Charge [REDACTED]

Re: Resolution of Case

On March 25, 1996, we received an allegation that Dr. [REDACTED] of the University of [REDACTED] was misspending NSF and National Aeronautics and Space Administration (NASA) grant and contract funds by charging the NSF grants for NASA related work and vice versa, was using an illegal alien to perform work on the projects, and allowed the employees he supervised to falsify their timecards. Since the same allegation was forwarded by the complainant to the NASA Office of Inspector General (OIG), we coordinated our investigation with their [REDACTED] field office.

Initially, we obtained and reviewed [REDACTED] account summaries for NSF grant [REDACTED], [REDACTED], [REDACTED], [REDACTED], and the last ten travel vouchers submitted by [REDACTED] under any NSF grant as of August 1996. Through these reviews we found no evidence of misspending or fraud.

We also examined the Federal Demonstration Project (FDP) rules which governed the [REDACTED] NSF and NASA projects and concluded that [REDACTED] was allowed, without prior approval or notification, to use NSF grant funds for any related NASA or other federal project on which [REDACTED] was the Principal Investigator.

Additional investigation by NASA OIG determined that [REDACTED] had mischarged \$2,433.60 of one of [REDACTED]'s employees NSF salary to a NASA project, paid back-pay to an illegal alien working on the NASA contract by falsifying time cards and paying him only when he

received his immigration documents allowing him to work in the United States, and that another employee improperly made \$28.80 worth of copying on [REDACTED] photocopiers (purchased for use on the NSF and NASA projects) without reimbursing [REDACTED]. Per NASA OIG's request (as approved by the U.S. Attorney's Office (USAO) for the [REDACTED]), the Department of Health and Human Services (DHHS), the cognizant federal audit agency for [REDACTED] began an audit of [REDACTED]'s grants. This audit was canceled after the DHHS auditors reviewed the [REDACTED] rules and concluded that the rules allowed the kinds of expenditures that NASA OIG had been investigating and had requested be audited (i.e. expenses made for the NSF grant being charged to the NASA grant and vice versa).

Based on the closing of the audit by DHHS, NASA OIG and the USAO determined that they had insufficient resources to devote to this case at this time. Due to the lack of evidence to show any wrongdoing and the fact that the NASA OIG and USAO are resolving their cases, further investigation is not warranted at this time. This case is closed.