

NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

**CLOSEOUT MEMORANDUM**

<b>TO:</b> AIGI	<b>File Number:</b> I96050028	<b>Date:</b> 15 March 2002
<b>Subject:</b> Closeout Memo		Page 1 of 1


There was no closeout written at the time this case was closed. The following information was extracted from the file in conformance with standard closeout documents.

Our office was informed that the subject<sup>1</sup> was alleged to have committed embezzlement, theft or diversion of grant funds. During a routine audit, NSF OIG discovered that the subject had received payment for a duplicate travel reimbursement submitted to both the university<sup>2</sup> and a society.<sup>3</sup> Further investigation revealed this was a single instance of double payment. The United States Attorney's Office for the Eastern District of Virginia declined to take this case.

Accordingly this case is closed.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]

Name:	Prepared by:	Cleared by:		
	Agent:	Attorney:	Supervisor:	AIGI
Signature & date:				



NATIONAL SCIENCE FOUNDATION  
4201 WILSON BOULEVARD  
ARLINGTON, VIRGINIA 22230



OFFICE OF  
INSPECTOR GENERAL

MEMORANDUM

Date: March 20, 1997  
To: File 196050028  
From: , Special Agent  
Via: Special Agent-in-Charge  
Re: Results of Investigation Involving Double-Billing of Travel Expenses to NSF Grants by D.

This report concerns Dr. , a Professor of Chemistry at , in South Carolina. We investigated to determine whether , received duplicative payments for travel expenditures reimbursed by his National Science Foundation (NSF) grants. We have determined that, in one instance, he received reimbursement from both NSF and the American Chemical Society (ACS) for the same travel expenses (\$190) incurred during a trip to an ACS function. In another instance, we determined that he received reimbursement from both his ACS grant and the ACS meeting for travel expenses (\$200) incurred during a trip to an ACS function.

The Double Reimbursements

A. Trip to ACS National Meeting, Anaheim, CA, April 1-6, 1995

From April 1-6, 1995 , attended the ACS National Meeting in Anaheim, CA. During this meeting, he gave two lectures, and, also during the meeting, received a \$190 check from ACS to waive the cost of the meeting's \$190 registration fee. On June 12, 1995, , and submitted a Travel Voucher requesting a reimbursement of \$738 for expenses incurred during this trip, including \$248 for lodging, \$176 for meals, and \$190 for the registration fee. Of these funds, \$538 was charged to NSF grant , including the \$190 registration fee. However, , did not claim any reimbursement for any means of travel to and from this meeting.

During an interview with an NSF OIG special agent, [redacted] stated that he did not realize that the \$190 he received from the ACS organizers constituted a payment for the meeting's registration fee. Rather, he claimed, he thought the funds were to be used to defray any of his expenses and so he reimbursed himself for travel expenses he had paid for using his personal funds. [redacted] also stated to the NSF OIG special agent that there were many expenses he did not claim on this and other [redacted] Travel Vouchers so he did not feel that he did anything wrong by keeping these funds. However, upon being told by his supervisors that the \$190 was to be applied towards his registration fee, [redacted] reimbursed the NSF grant \$190 in April, 1996.

Documentary evidence obtained from Dr. [redacted] treasurer of ACS' Inorganic Chemistry Division, shows that the \$190 paid to [redacted] was to be used to defray the registration fee. In an electronic mail message dated March 23, 1995 to another meeting organizer, [redacted] states:

Here is a partial list of the checks I would need. I still don't know exactly what we are giving our foreign travelers, but we are paying registration fees for . . . speakers. So, we need checks in the amount of \$190.00 for the following: . . .

However, [redacted] statements to an NSF OIG agent contradict his own electronic mail message. [redacted] stated that the \$190 was to be used to defray the registration fee but could also be used to defray any of the other travel expenses as the individual traveler saw fit. [redacted] stated that he recalled it was up to the traveler's discretion to apply these funds.

#### B. Trip to ACS Regional Meeting, Ann Arbor, MI, May 31 - June 2, 1994

From May 31 through June 2, 1994, [redacted] attended an ACS Regional Meeting in Ann Arbor, MI. During this meeting, he gave a lecture and, on approximately September 12, 1994, received a check for \$200 from ACS for this lecture. On June 9, 1994, [redacted] signed and submitted a [redacted] Travel Voucher requesting a reimbursement of \$519 for travel expenses incurred during this trip. These expenses included \$159 for lodging, \$295 for air travel, and \$65 for the meeting's registration fee. However, Kolis did not claim any expenses for meals or any other category. Approximately \$219 of this reimbursement was charged to [redacted].

During an interview with an NSF OIG special agent, [redacted] stated that he believed that the \$200 he received from the ACS was to be used to defray his travel expenses but that he was not required to use these funds for any one specific expense. Thus, he stated, he kept the funds for himself because there were many expenses he paid with his personal funds that he did not claim on this and other [redacted] Travel Vouchers.

Statements by an ACS regional meeting treasurer and documentary evidence support claim that these funds were not designated for any one specific expense. The treasurer, [redacted], told an NSF OIG special agent that these funds were to be used to defray

general travel expenses but not any one in particular. In addition, a cover letter authored by [redacted] at [redacted] accompanied [redacted] check simply states:

Enclosed please find a check in the amount of \$200 towards your expenses for participating in the Symposium on Recent Advances in Metal Chalcogenide Chemistry in the recent Joint Central-Great Lakes Regional ACS Meeting in Ann Arbor.

### Conclusion and Recommendations

NSF OIG reviewed account summaries for [redacted] grants, verified purchases and deliveries made under the grants, and salary payments. This review did not identify other misuse of grant funds. The double payments appear to have been isolated incidents, and do not appear to be part of a pattern of fraudulent acts.

Under 18 U.S.C. § 1001, the use of "any false writing or document knowing the same to contain any false . . . statement or entry" is punishable by incarceration for up to five years. In addition, the False Claims Act, 31 U.S.C. §§ 3729-3733, provides for civil liability to the federal government by anyone who "knowingly presents, or causes to be presented, to an officer or employee of the United States Government . . . a false or fraudulent claim for payment or approval[, or who] knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government."

[redacted] appears to have violated 18 U.S.C. § 1001 by submitting the [redacted] University Travel Vouchers certifying that his claims were appropriate under all state rules and regulations:

I certify the expenses listed herein were incurred and paid in the performance of my official duties, and that this claim is true and correct in every material matter and conforms with the requirements of the State laws, rules, and regulations.

This submission does not violate the False Claims Act, however, since he did not intend to get a false or fraudulent claim paid or allowed by the government. In both instances, [redacted] claimed that he did not know what the funds from ACS were to be used for and that, in any case, he used these funds to pay for other travel expenses he did not claim on these or other travel vouchers. In addition, the absence of repeated similar activity suggests that this claim may be credible. Finally, there is no evidence of intent in his statements, and without additional evidence it does not appear that intent to defraud the government can be established.

Based on this analysis, we believe that [redacted] may have violated the False Claims Act or 18 U.S.C. § 1001 as to the double reimbursements arising out of his attending the ACS meetings in Anaheim, CA or Ann Arbor, MI. However, since ACS was going to reimburse him but [redacted] did not know specifically for which expenses, he accordingly did not place all of his expenses on his travel vouchers and then kept the funds given to him by ACS. Thus, the evidence that he intended to receive duplicative payments is weak.

Because the events described in this report involve potential violations of federal criminal and civil law, we have referred this matter to the Department of Justice as required by law. The Department has declined to pursue the matter on a civil or criminal basis. This matter is closed.