

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: March 31, 1997

To: Case File No. I96080047 [REDACTED]

Through: [REDACTED] Special Agent in Charge, Investigations Section

From: [REDACTED] Forensic Scientist, Investigations Section
[REDACTED] Special Agent, Investigations Section
[REDACTED] Investigative Attorney, Investigations Section

Re: Case Resolution

This report concerns Dr. [REDACTED] a Professor of Mathematics at the University of [REDACTED] in [REDACTED]. We investigated to determine whether Dr. [REDACTED] is received duplicative travel expense reimbursements from his NSF grants and from organizations hosting events he traveled to. We have determined that Dr. [REDACTED] received reimbursement from NSF and from the [REDACTED] for the same travel expenses he incurred in August 1994 in the amount of \$1,004.92.

I. Background

Dr. [REDACTED] has been employed at [REDACTED] as a full-time professor since August 1992. At one point, he was simultaneously employed by [REDACTED] University. He remained on a leave of absence from [REDACTED] during the academic years 1992-93 and 1993-94. Dr. [REDACTED] has two active NSF grants.

DMS-9403412, [REDACTED]
[REDACTED]

INT-9314077, [REDACTED]
[REDACTED]

II. The Double Reimbursement

From August 2-7 1994, Dr. [REDACTED] attended and gave a lecture at the [REDACTED] in [REDACTED]. On August 29, 1994, he submitted a handwritten list of his travel expenses for the trip to the mathematics department accountant in order for the accountant to prepare a [REDACTED] travel expense report for him [REDACTED] to sign. These expenses totaled \$2,401 and included airfare of \$459 and hotel expenses of \$1,294. [REDACTED] signed and submitted the prepared [REDACTED] travel expense report on September 21, 1994. This travel expense report listed many trips, including his trip to [REDACTED]. Notably, [REDACTED] did not include any information regarding a reimbursement from AMS, although he did include information about a reimbursement related to a trip to Santander, Spain (one of the other trips he had claimed on this same travel expense report).

Approximately nine months prior to the trip, however, Dr. [REDACTED] was informed by the [REDACTED] that it would fund a portion of his trip to the [REDACTED]. On approximately September 13, 1994, Dr. [REDACTED] drafted, signed and submitted an [REDACTED] Travel Expense Voucher requesting \$1,004.92 for his airfare expenses. Because of the duplicative reimbursement requests, Dr. [REDACTED] was reimbursed by both [REDACTED] and [REDACTED] for the airfare expenses related to his attendance at the [REDACTED]. In addition, because these expenses were grant-related, [REDACTED] paid the full amount to Dr. [REDACTED] from his NSF grant funds. The [REDACTED] also reimbursed [REDACTED] for \$1,004.92 for expenses incurred during the [REDACTED] in [REDACTED]. He received the funds from [REDACTED] in October 1994 and deposited the check into his personal bank account. At that time, he did not use the [REDACTED] funds to pay back the NSF grant, which had already fully reimbursed him.

Dr. [REDACTED] has acknowledged that he received duplicate reimbursements. He said that he submitted both vouchers because he was unsure as to when and how much [REDACTED] would reimburse him for his expenses. He claimed that he intended to reimburse his NSF grant with the funds from [REDACTED] when he received them, but that he forgot to do so when he actually received the [REDACTED] check. He said that when he realized that he had neglected to reimburse the NSF grant (in August 1996), he went to his department chairman the very next day, discussed the matter with him, and wrote a personal check to [REDACTED] for \$1,700. The \$1,700 was subsequently credited to the NSF grant.

[REDACTED] said that he paid back more than the amount of the double reimbursement for three reasons. First, he realized that the [REDACTED] travel expense report was filled out incorrectly, and charged the NSF grant \$215.71 for previously paid hotel charges for the trip to Zurich. Second, he remembered that he received a larger amount in reimbursement funds from his visit to Santander, Spain than he originally reported on the travel expense report. Finally, Souganidis said that he thought he might be liable for financial penalties for his failure to reimburse the grant.

III. Other Payments

In an interview with NSF OIG special agents, [REDACTED] stated that he had received payments from other universities/organizations in the form of honoraria payments. He said that he received honoraria during some of the same trips wherein he claimed reimbursement

for travel expenses from his NSF grants, but that he used these honoraria during his travel to defray expenses such as lodging and meals. Despite receiving over twenty honoraria payments since 1993, [REDACTED] claimed to be unfamiliar with any of [REDACTED] or NSF's policies regarding crediting honoraria to the program that supported travel to and from a host organization. After the interview, [REDACTED] provided a list of all the honoraria that he has received over the past four years.

In analyzing the list, we found six instances where [REDACTED] charge to his NSF grants for travel expenses plus the honoraria he received while on that travel exceeded the actual travel expenses by \$200 or more. This analysis, however, actually supports [REDACTED] contention that he used his honoraria to defray part of his travel expenses because, for the six trips, [REDACTED] did not charge his NSF grants for expenses such as lodging and/or meals. In fact, on one of these trips, he used personal funds to make up the difference between his expenses and what he claimed.

IV. Conclusions

NSFOIG reviewed account summaries, consultant and participant support payments, salaries, and all travel expenditures for [REDACTED] grants. This review did not detect additional misuse of grant funds. The double payment appears to have been an isolated incident.

[REDACTED] appears to have violated 18 U.S.C. § 1001, *False Statements*, by submitting the [REDACTED] travel expense report certifying that he did not and would not receive any other reimbursement for the expenses listed. This certification stated:

[REDACTED]

[REDACTED] stated in his affidavit that:

[REDACTED]

Intent is not required, however, to violate 18 U.S.C. § 1001. His intentional submission of a false statement, i.e. the certification, is sufficient to violate the statute. However, the fact that this was an isolated incident, as opposed to part of a pattern of abuse, suggests that it is unsuitable for prosecution.

[REDACTED] submission of duplicative documents may have violated 31 U.S.C. §§ 3729-3733, *the False Claims Act*. He claimed that he intended to reimburse his NSF grant. We have found no evidence which illustrates a pattern of submitting duplicate travel vouchers, and therefore the intent to defraud the government cannot be established.

In addition, we believe that [REDACTED] can claim that the six trips described above were related to his NSF research, even though these trips were for collaborations not mentioned in [REDACTED] awarded proposals. The NSF Grant Policy Manual's regulation on travel costs is found in Section 514 and states:

[REDACTED]

We have concluded that [REDACTED] may be able to legitimately claim that these expenses were "related" to his NSF grants and therefore are allowable costs against his NSF grants. These facts appear to support [REDACTED] assertion that he was using the honoraria to offset his travel expenses, and did not intend to profit from his travel charged to his NSF grants.

The U.S. Attorney's Office for the Eastern District of Virginia has declined this case for prosecution. Due to the lack of evidence to support that [REDACTED] has formed a pattern of fraudulent behavior and activity, this case is closed.