

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230

Closeout
1 of 2



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: March 30, 2000

To: File No. I97070033

From: [REDACTED] Special Agent

Via: [REDACTED] Assistant Inspector General for Investigations

Re: [REDACTED] Closeout

Background

The complainant, [REDACTED] former program manager of the [REDACTED] contacted NSF/OIG on December 9 and February 25, 1997 with multiple allegations of [REDACTED] misuse of NSF grant funds in areas of payroll, participant support, and grant changes without prior approval (Please see Attachment 1 for details). In addition, the complainant's allegations came out during her testimony in the June 27 & July 1, 1997 [REDACTED]. The allegations focused on the [REDACTED], for which she was listed as [REDACTED]

[REDACTED]

The NSF awarded eight grants to the [REDACTED] since 1994, with 3 grants³ that are currently active or

¹The hearings took place to decide whether or not [REDACTED] resigned from [REDACTED] with good cause and should be disqualified from certain benefits.

² Audit Report No. [REDACTED] p. 1

³ [REDACTED]

awaiting final reports. From 1989 to present the total grant money of the 9 grants awarded to [REDACTED] is \$3,357,050.

Investigation

On December 12, 1997 OIG requested account summaries for all three awards. January 8, 1998 [REDACTED] requested a complete copy of [REDACTED] Department file (tapes, exhibits, and report) for [REDACTED]. We received 4 tapes of the [REDACTED] and do not have a complete transcript. On May 18, 1998 [REDACTED] requested [REDACTED] for individual [REDACTED] Department employees from the [REDACTED] Controller, [REDACTED] failed to fully comply with our request as of January 1999. In January 1999, we contacted [REDACTED] to follow-up to our earlier request and re-requested [REDACTED] for 1994 and 1995.

On January 27, 1999 OIG Investigations initiated a joint review with OIG Audit of the records received and preliminary findings of high [REDACTED] during periods of project latency and lack of compliance to our requests for [REDACTED]. [REDACTED] planned an on-site review of the allegations in July. In mid-July we conducted the on-site review, in which the OIG Special Agent conducted numerous interviews of current [REDACTED] staff and the OIG Auditor conducted a judgmental sampling to test the costs claimed by [REDACTED] for the awards. The OIG Auditor completed the on-site review of [REDACTED] after a second site visit in late July.

Findings

The OIG Auditor released a report based on our review of [REDACTED] with significant findings of [REDACTED]⁴ in questioned costs related to direct costs, indirect costs, and cost sharing in the following categories: unsupported salary and related fringe benefit, unallowable participant support costs, unsupported subcontract costs, indirect costs related to questioned direct costs, costs claimed in excess of the allowable amount, and cost sharing.

Although we noted several instances of non-compliance and internal control weaknesses, there was no evidence of criminal intent and agreement with the complainant's labor and equipment-mischarging allegations. Therefore, OIG Investigations defers the matter to be handled through the Audit resolution process and has recommended administrative sanctions and parole be enforced. The case is closed.

⁴ See Audit Review of [REDACTED] prepared by [REDACTED], p. 3.