

MEMORANDUM

DATE: January 31, 1998
TO: I97090048
FROM: [REDACTED] Special Agent [REDACTED]
VIA: [REDACTED] Special Agent-in-Charge
RE: Close-out of [REDACTED] Case

Background

On March, 20, 1997, this office received an allegation from Dr. [REDACTED] a program officer in the Division of [REDACTED] who brought a letter and supporting materials from Dr. [REDACTED] regarding retaliation against herself and misuse of government funds by Dr. [REDACTED] the University of [REDACTED]. Dr. [REDACTED] alleged: 1) that she was being retaliated against by Dr. [REDACTED] after she complained to University authorities about sexual harrassment and denial of access to NSF-funded equipment and 2) that Dr. [REDACTED] had a private, for-profit corporation called the [REDACTED] which was advertising the NSF-funded equipment for personal profit.

Dr. [REDACTED] et. al.¹ received NSF Grant [REDACTED] in the amount of \$ [REDACTED] for support of the project entitled, [REDACTED]. This award was effective from August 1, [REDACTED] through July 31, [REDACTED].

¹ The award was made to the University of [REDACTED]. The project was conducted under the direction of [REDACTED] and [REDACTED].

Investigative Results

1) No evidence of financial gain via the use of the NSF-funded [REDACTED] was found, and 2) no evidence of personal gain by Dr. [REDACTED] via his company, [REDACTED] was found.

Investigative Methods and Scope

The allegations regarding the retaliation were referred to the Misconduct and Legal sections: Dr. [REDACTED] and [REDACTED]. The Investigations section focused on the allegation regarding possible financial improprieties relating to the use of the NSF-funded equipment. Investigations also coordinated with Misconduct and Legal to ensure that all overlapping information and evidence pertaining to possible financial improprieties was explored.

The scope of this investigation included document requests from the University of [REDACTED] and [REDACTED] and phone interviews with those associated with the award: Dr. [REDACTED] complainant; [REDACTED] Director of Internal Audit; Dr. [REDACTED] co-PI; [REDACTED] Business Administrator [REDACTED] Dr. [REDACTED] co-PI and equipment user; and [REDACTED] private Internet service provider representative.

The following was determined:

- 1) The NSF-funded [REDACTED] is much delayed in its set-up and use, and no moneys have been charged for its use.

June 14, 1995- [REDACTED]

July 13, 1995- [REDACTED]

January, 1996- [REDACTED]

April 18, 1996- [REDACTED]

According to the [REDACTED] consistent photos were taken between April 18, 1996 through September 8, 1997. However, as of a January 7, 1998 conversation with Dr. [REDACTED] the [REDACTED] was difficult to use, not fully operational, and considerable amounts of effort and technical expertise was required to produce a single image. Dr. [REDACTED] was not charged for his use, nor is he aware of any other being charged for use.

- 2) An interview with the Business Administrator of [REDACTED] and the Department of [REDACTED] University of [REDACTED] Medicine, Ms. [REDACTED] indicated that no billings or deposits were made with regard to the NSF-funded [REDACTED], and that she would be the sole conduit for the processing of any such documentation. No indicators of such deposits were present with a review of [REDACTED] bank statements from the period of July 31, 1995 through November 1997.
- 3) [REDACTED] was incorporated in October, 1989. The University, according to Internal Audit Director [REDACTED] had always know about its existence, and that it operated to the benefit of the Department of [REDACTED]. According to [REDACTED], she performed a 1995 department-wide audit regarding [REDACTED] and that there were no significant findings. Another audit was conducted of [REDACTED]'s financial records by [REDACTED] the Assistant Vice President for Health Affairs on June 2, 1997, again with no significant findings. Subsequently, a third audit was conducted on [REDACTED] on the behest of [REDACTED], the President of the University, again with no findings indicating any misappropriation of funds. [REDACTED] recommended that a formal contract be made between [REDACTED] and the University to avoid these problems in the future.
- 4) NSF OIG's review of [REDACTED] bank statements between July 31, 1995 and November 1997 indicated that there was only one payment larger than \$500 made to Dr. [REDACTED] personally. This check #1221, in the amount of \$3,264, was a reimbursement to Dr. [REDACTED] for his purchase of a [REDACTED] one of several bought by [REDACTED] for the University. [REDACTED] stated that she had seen this computer, and that the University had title to this machine.
- 5) The NSF-funded [REDACTED] was advertised, along with many other pieces of equipment, on an internet page dedicated to [REDACTED] resources.² According to Dr. [REDACTED] this page was created to show the various resources available to those desiring to use [REDACTED] and University services, in order to "raise[] funds for the growth of the Department of [REDACTED]". [REDACTED] This page is still on the net, in a revised form, without the fee-for-service content.

² Sometime after Dr. [REDACTED] discovered the existence of the [REDACTED] internet site, and made various allegations to the University, the webpage disappeared. When asked to explain this occurrence, Dr. [REDACTED] stated that the net page provider had also thought the page was intended as a private enterprise and thus wanted to charge [REDACTED] their higher rate structure for commercial venture pages. Dr. [REDACTED] explained to the net provider that [REDACTED] was a not-for-profit, and the page was re-instated.

According to Dr. [REDACTED] total revenues over the past 5-8 years is approximately \$80,000. These funds are used to defray the costs of Departmental expenses, through the purchase of equipment, the provision of stipends for graduate students, the funding of student travel to meetings, the funding of annual student parties, and the purchase of furniture. The University does not reimburse [REDACTED] for these expenses.

Conclusions

Based on the above information analyzed, and particularly in light of the three institutional audits performed on [REDACTED] over the past three years, no significant findings of fraud, waste or abuse of federal funds or resources is found, and the investigative portion of this case is closed.