MEMORANDUM

DATE: March 31, 1998

TO: I97120062

FROM: [redacted] Special Agent [redacted]

VIA: [redacted] Special Agent-in-Charge

RE: Close-out of [redacted]

Background

In February 1998, an allegation was forwarded to Investigations from Misconduct, regarding a potential theft of equipment and funds on an NSF grant [redacted] awarded to the [redacted] in San Diego. [redacted] of OAD/GEO had received a letter from an attorney who represented a co-PI and the co-PI's colleague on one of [redacted] NSF awards. The letter was the lawyer's attempt "to repair the damage done to the character and reputations of [the co-PI and colleague]." Apparently, the PI of the award, Dr. [redacted] had accused the co-PI and the co-PI's colleague of stealing equipment and $17,000 from the grant. The PI had apparently sent letters with these allegations to various "individuals and institutions." The letter indicated that the co-PI and colleague had "returned all the equipment and moneys when it became apparent that false accusations were being made regarding their honesty and integrity."

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1 [redacted] as effective June 15, 1996 through May 31, 1997. The total funding on this project was $49,925. [redacted]

An Investigative file was opened based on the above notification to NSF of the defense letter rebutting prior allegations.

Investigative Results

No evidence of significant loss to the government was substantiated. Although it appears that there may have been an attempted theft of equipment on the part of the co-PI and the co-PI's colleague, the equipment itself was not funded by NSF, and it is unclear whether the co-PI intended to complete the research pursuant to NSF award [redacted] in Argentina, prior to his being barred from the research due to the attempted theft. The co-PI and the co-PI's colleague are presumed to be currently residing in Argentina.

Investigative Findings

Based on interviews with the PI of the award, [redacted] and documentation provided by, and discussions with, [redacted] of the Internal Audit Department of the University of [redacted] facts emerged as follows:

1) [redacted] and colleague (and wife) [redacted] were to conduct research on NSF [redacted] during the summer of 1996. It was understood prior to their departure that the couple were to be the Argentine coordinators on the project.[2]

2) Because the PI, [redacted] was on travel in Europe at the time, the couple were given $13,700 as an advance to effectuate the preliminary research in Argentina. [redacted] was charged with transferring any necessary equipment to Argentina for the research, which he did.

3) Upon [redacted] return from Europe, he noticed various pieces of expensive equipment missing from his laboratory. Upon questioning [redacted] denied remembering the existence of any such equipment.

4) Just prior to the couple's departure to Argentina, around July 2, 1996, [redacted] visited the [redacted], where he was informed by personnel there that [redacted] had refused to sign an equipment inventory list and certification required for a shipment of items from [redacted]. This odd refusal plus the missing equipment prompted [redacted] to alert the Department Chair and [redacted] the Director's Office.

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[2] [redacted] and [redacted] were both from Argentina, and had planned to reside there permanently. Neither [redacted] nor [redacted] have ever submitted Proposals to NSF.

5) The equipment shipment was stopped midway to Argentina and turned back to [redacted] The contents of the shipment included those expensive pieces of equipment that [redacted] had noticed were missing from his lab. [redacted] stated that [redacted] managed to abscond with two five-year-old laptops, a Brenui drive, and a portable printer. [redacted] stated that he was not concerned about this equipment, as it was obsolete. This equipment was not funded by NSF.

6) Upon request by the Director's Office, [redacted] returned all of the funds minus two round-trip airfares ($3,502 direct billed to [redacted] and $700 for research expenses and fund transfers from Argentina to the United States.

7) These returned funds, totaling $13,100 were returned to the [redacted] account at [redacted] and the [redacted] account according to their respective contributions.

8) [redacted] stated that he accomplished the remainder of the A[redacted]5 project himself, during August-October 1996.

Conclusions

Based on the above information analyzed, no significant findings of fraud, waste or abuse of federal funds is found, and this case is closed.