

NATIONAL SCIENCE FOUNDATION
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OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: March 2, 1999

To: File 198120036

Thru: Assistant Inspector General for Investigations

From: Special Agent

RE: Closeout-

Background

On December 7, 1998, NSF-BFA/DGA met with a FBI Special Agent regarding the verification of a NSF Phase I grant for \$500,000 that was awarded to [REDACTED]. The actual amount of the award was \$50,000. I contacted the FBI to obtain additional information. A Special Agent with the FBI informed me that the FBI had received a request for assistance in verifying documents from the Public Securities of the Republic of China in Hong Kong. The FBI Agent related that [REDACTED] is charged with embezzling approximately \$1.25 million dollars from a company he started up in Hong Kong. [REDACTED] used a forged grant letter from NSF showing an award of \$500,000 in order to show evidence of his financial status when starting up the new company.

As a result of the evidence that [REDACTED] had falsified a NSF grant letter, I conducted an investigation to determine if [REDACTED] had misused NSF funds and/or provided false information to NSF to obtain funding.

Investigation

During the investigation I discovered information showing that [REDACTED] and his company, had possibly obtained duplicate funding from NSF and NASA for his research project. I contacted NASA-OIG to assist in the investigation. The investigation revealed that [REDACTED] had provided falsified proposals to both NSF and NASA by submitting documents with forged signatures for the Chief Financial Officer for his company, and certifying that his company had not submitted similar proposals to other federal agencies. [REDACTED] and his companies, received funding from both NSF and NASA for the same research project during the same time period (1993).

After being unable to locate assets for [REDACTED] companies, and verifying with the FBI that [REDACTED] is currently being held by the Chinese government, I contacted the U.S. Attorney's Office for the Southern District of Iowa to have the case assigned to an AUSA, or to have the case declined for prosecution. The U.S. Attorney's Office declined to prosecute the case on the grounds that [REDACTED] is currently in custody in China and is unlikely to return to the United States.

NASA-OIG plans to initiate debarment proceedings against [REDACTED] in the event that he does return to the U.S. and attempts to obtain federal funding.

Conclusions

Based on the AUSA's determination not to prosecute, the case is closed with no further action.