July 31, 2000

MEMORANDUM TO: The File

FROM: [redacted]

THROUGH: [redacted]

SUBJECT: Closeout Case I-99060021

On June 8, 1999, Dr. [redacted] (Program Director, MPS/CHE) contacted our office to discuss possible misappropriation of NSF funding by Dr. [redacted], a Professor at [redacted]. According to Dr. [redacted], the subject proposed $3,000 per year ($9,000 for a three year grant) for an undergraduate student assistant, but a progress report revealed the subject shifted the $9,000 to personal salary. In addition, the subject's original proposal included physical experiments along with computer simulations of the more theoretical aspects of the research project. However, according to the progress report, the subject did not conduct any physical experiments and concentrated solely on the computer simulations.

The Office of Inspector General opened an investigation to consider these allegations. On June 15, 1999, I requested travel expense reports and salary account summaries from the [redacted]. On July 26, 1999, I requested all shipping and material invoices. After [redacted] supplied all requested material, I telephoned Ms. [redacted] at the [redacted] to request additional information about the undergraduate student funding. On May 11, 2000, I received an email reply from Ms. [redacted] with a long quoted response from the subject. According to the subject, a majority of the research effort involved writing and testing code for applying trajectory methods to organic isomerizations, a project beyond the capabilities of an undergraduate student, "[t]herefore, the money originally budgeted for undergraduate salary was reallocated to other categories." In addition, the subject defended against the allegation of a significant change in project scope by stating "the particular means by which these reactions were investigated (experiment or computation) seemed less important than the fact that we did investigate them."

I presented the financial information provided by [redacted] to [redacted] and [redacted] OIG Audit Section) for an expert opinion with respect to the shifting of personnel salary. These auditors found no improprieties in any expenditures (including personnel salary) submitted by the subject. The shifting of the $9,000 from the undergraduate student salary to the subject was completely within acceptable boundaries. In addition, I believe the subject offered a satisfactory explanation to the allegation of a

significant change in project scope. Accordingly, this criminal investigation should be closed, with no further action by this office.