

May 5, 2000

MEMORANDUM TO:

The File [REDACTED]

FROM:

THROUGH:

SUBJECT:

[REDACTED] and [REDACTED]  
Closeout Case I-99070026 and [REDACTED]  
[REDACTED]

On April 14, 1999, an anonymous source sent a letter to the G. A. O. Fraud Hotline alleging that [REDACTED], a Professor of Physics at [REDACTED] defrauded the federal government through support from National Science Foundation (NSF). This letter contained two attachments: (1) a February 1999 memorandum from [REDACTED] Chair of the Department of Physics, to [REDACTED] addressing complications in the Fall 1999 schedule; and (2) a copy of [REDACTED] Curriculum Vita. On April 23, 1999, the G. A. O. Fraud Hotline forwarded this allegation to the National Science Foundation (NSF).

The Office of Inspector General opened an investigation to consider this allegation. On July 7, 1999, we requested a copy of all travel vouchers and salary account summaries for NSF cooperative agreement [REDACTED] entitled [REDACTED] for the [REDACTED] Region. This cooperative agreement involves a consortium of institutions in the [REDACTED] area and is designed to [REDACTED] in scientific research. [REDACTED] is a co-PI on this cooperative agreement.

On August 12, 1999, the Vice President for Fiscal Affairs at [REDACTED] responded with copies of all travel vouchers with supporting documentation and salary account summaries. After reviewing this material, we noticed several questionable cash advances and miscellaneous expenses that appeared to be charged to the NSF cooperative agreement. Accordingly, we requested the [REDACTED] provide additional information on all cash advances, miscellaneous expenses and student travel charged to this cooperative agreement.

On February 7, 2000, the [REDACTED] responded with a letter explaining the rather confusing nature of [REDACTED] accounting summaries. According to the [REDACTED], only expenses listed on the General Ledger and Control Spreadsheets were charged to the NSF cooperative agreement although many check copies list a combination of expenses charged to the NSF cooperative agreement and third party grants.

On March 1, 2000, the Vice President for Fiscal Affairs at [REDACTED] sent a copy of all cash advances, miscellaneous expenses and student travel charged to the NSF cooperative agreement. After considering this information, along with the original information relating to travel vouchers and salary accounts, we found no evidence of the intentional diversion of funds. However, we believe that [REDACTED] may have charged a wide variety of unallowable costs to this cooperative agreement. The miscellaneous expenses charged to this cooperative agreement include trips to the movie theater, jazz concerts and bowling alleys. In addition, [REDACTED] apparently charged catering, musicians and trophies for an awards ceremony and payments for several students to enroll in the [REDACTED]. Accordingly, we are referring this matter to the [REDACTED] for a thorough assessment of the costs charged to this cooperative agreement. Based on this referral, we are closing this case.

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