

[REDACTED] Closeout
Page 1 of 2

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: March 31, 2000

To: File #I99110045

From: [REDACTED] Investigative Scientist
[REDACTED] Special Agent

Via: [REDACTED] Assistant Inspector General for Investigations

Re: Case Closeout - [REDACTED]

Background

In November 1999, NSF/Contracts Policy and Oversight (CPO) referred a matter to our attention. The [REDACTED] in Bethesda, MD, lacked a Principal Investigator (PI) conflict of interests (COI) policy. Our initial review of A-133 audit reports for the fiscal years ending 12/31/97 and 12/31/96, noted that [REDACTED] lacked an official COI policy. NSF requires each grant-seeking organization employing 50 or more employees to have an official COI policy. As of October 1, 1995, NSF required the authorized organizational representative (AOR) to certify with each proposal submission that the institution has an official COI policy.

As a non-profit organization employing 65 people, it is required to have an established COI policy. At the time of our review, [REDACTED] had one active NSF award [REDACTED], PIs [REDACTED]. [REDACTED] has had three NSF grants¹, totaling \$523,278, since the 1995 enactment of the COI provisions. The AOR² at [REDACTED] is also the Executive Director and was PI

¹ INT-9722481, [REDACTED] was for \$15,330 (check) and is closed, IBN#9003001, [REDACTED] June 30-July 5, 1997," was for \$30,000 and is closed; and [REDACTED] was for \$277,948 and it is open until June 30, 2000.

on two of these three awards. As the AOR, he certified that [REDACTED] had an existing policy, which it did not have. As a result of these findings, CPO froze [REDACTED] funds until [REDACTED] developed and instituted a COI policy and allowed NSF's Office of General Counsel (OGC) to review it.

Investigation

The AOR admitted that [REDACTED] did not have a formal COI policy. He further explained that it was not until the auditors alerted him in the A-133 that [REDACTED] needed a formal policy that he began working to develop one.

In an interview at [REDACTED] the AOR explained that [REDACTED] has an inherent view of integrity, affecting how it handles its COI. He said that people inherently understood the bidding process – no spouses, no equity positions, etc. He said that he did not pick up on the 1995 COI policy requirement outlined in the NSF Grants Policy Guideline.

We learned that [REDACTED] does not have its own Personnel Office. Instead, it uses the [REDACTED] office for these functions.

Findings

Based on our review of subcontracts, participant support, and miscellaneous source documentation and account summaries from all three post-1995 awards, there was no evidence of unsupported, unallowable, and fraudulent expenses. Based on our review of the AOR's information, we concluded that the AOR falsely certified to NSF on four proposals (three of which were awarded) submitted after October 1, 1995 that [REDACTED] had an official COI policy.

[REDACTED] completed a formalized COI policy, which OGC approved January 10, 2000. CPO subsequently lifted its suspension.

On March 30, 2000, we discussed the case with the U.S. Attorney's office in the Eastern District of Virginia. The Assistant U.S. Attorney declined the case for prosecution. Because there was no evidence of any inappropriate use of funds and DOJ declined prosecution, we closed this case.

² Dr. [REDACTED]

I99110045