

NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: A02090044

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In reviewing long-distance calls made using NSF telephone resources, we observed a suspicious pattern of repetitive and lengthy long-distance calls made from a single NSF telephone. Our investigation ultimately revealed that an NSF employee¹ (subject) made 474 personal phone calls for a total of 113 hours during the period February 2002 through October 2002.² These calls included numerous personal calls, and numerous calls made in support of the outside business activities of the subject. Further, time and attendance records show that the subject claimed a total of 59.50 credit hours on the same workdays on which she placed a total of 64.55 hours of personal phone calls. We also found a relationship between the times of the subject's phone conversations and the times that the subject signed in and signed out using ITAS. We estimate that the subject's practices minimally cost NSF \$2149; we could not assign a cost to the lost productivity within [redacted] because of the subject's practices nor to the cost of credit hours for legitimate or non-legitimate purposes. The cost of personal calls made by the subject during the period reviewed is \$171. The direct cost of the subject's time for the 113 hours of personal phone calls (at the subject's hourly wage of \$17.50) is \$1978.

We concluded that the subject's use of the telephone was in direct violation of NSF policies, specifically NSF Bulletin 89-6 "Long-distance Telephone Usage" and NSF Manual 15 "Conflicts of Interest and Standards of Ethical Conduct."

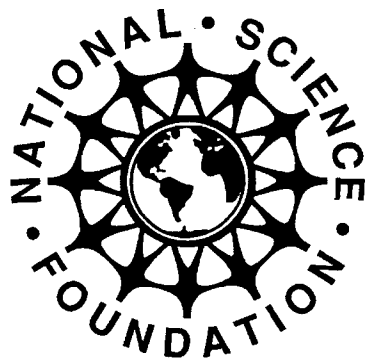
We issued a Report of Investigation to NSF dated March 31, 2003, sent to the Division Director and the Branch Chief for the Employee Relations Branch (redacted). NSF prepared a notice of proposed separation for the employee, dated May 2, 2003 with proposed effect to take effect 30 calendar days later (redacted). The employee resigned effective May 23, 2003 (redacted).

Accordingly, this case is closed.

¹ redacted.

² The months examined for this investigative report correspond to the period of OIG's proactive review of phone call records. Telephone usage by the subject in other periods was not examined.

National Science Foundation Office of Inspector General



Confidential
Investigation Report
Case Number A02090044
REDACTED

31 March 2003

Summary

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We estimate that the subject's practices minimally cost NSF \$2149; we could not assign a cost to the lost productivity within because of the subject's practices nor to the cost of credit hours for legitimate or non-legitimate purposes. The cost of personal calls made by the subject during the period reviewed is \$171. The direct cost of the subject's time for the 113 hours of personal phone calls (at the subject's hourly wage of \$17.50) is \$1978.

Background

The Office of Inspector General conducted a proactive review of long-distance telephone records of calls made by NSF employees from February 2002 through October 2002. The records include a listing of numbers called, originating phone number, length of the call, and date and time of the completed calls. We were drawn to a suspicious pattern of a large number of calls, and frequent lengthy calls, to a single telephone number in Portsmouth VA.³ Almost all calls to this number made from a single NSF telephone.⁴ Our web search of the Portsmouth VA number revealed a link to a business with no plausible NSF connection.

The Portsmouth VA number appears on a website associated with [redacted], a purveyor of adult-oriented videos.⁵ The Portsmouth VA number is listed as a source for information about purchase of adult-oriented videos.⁶ The Portsmouth VA number is highlighted in its appearance, as is the name of the Vice President of the production company: "[redacted]" (*vide infra*).

¹ redacted.
² redacted
³ redacted
⁴ redacted
⁵ redacted
⁶ redacted

We initiated an inquiry to further assess this matter.

OIG Inquiry

The NSF extension from which the majority of the phone calls to Portsmouth VA was made is associated in NSF phone directories with the names of several individuals within a single NSF program.⁷ Several calls to the Portsmouth VA number were made outside usual working hours (with some on weekends). We obtained time and attendance records for these individuals and found a correlation between the times for the calls and the time and attendance records suggesting that the subject made the calls.

We interviewed the subject on 17 December 2002. In the interview, the subject confirmed that she made numerous calls to the Portsmouth VA number.⁸ The subject stated that the calls to the Portsmouth VA number were of a personal nature. The subject also provided information during the interview about her involvement in an external business in association with the person in Portsmouth VA whom she was calling. The subject stated in her first interview that her supervisor and co-workers were not aware of her extensive use of the telephone for personal calls. She also stated that she had no long-distance service on her home telephone number.

The subject stated that the calls to the Portsmouth VA number were made to the Webmaster for an adult-oriented website⁹ owned by the subject. The subject stated that her website contained links to other sites from which purchases of adult videos from their producer could be made.¹⁰ (The subject later stated in the second interview that the Webmaster was also the "producer" of the adult-oriented videos advertised on the web site that she owned.)

The registration information for the domain address of the subject's website confirms the subject was its owner.¹¹ The registration information for the web domain lists the subject at both her home address in [redacted], and at the NSF business address of 4201 Wilson Boulevard, Arlington VA 22230. The Webmaster's site website includes many images with captions associated with the producer and Webmaster.¹² In one of the image captions, an individual called [redacted]). The email given by the subject on the website registration is [redacted]. AOL provides the following information about this member:¹³

[redacted]

⁷ redacted
⁸ redacted
⁹ redacted
¹⁰ redacted
¹¹ redacted
¹² redacted
¹³ redacted

The subject's NSF Position is Program Assistant. We concluded that the subject is [redacted] identified on the Webmaster's site as a Vice President of that company. We concluded that there was sufficient substance to open an investigation into the matter.

OIG Investigation

We compiled a complete Record of Calls placed from the subject's desk telephone in the period from February 2002 to October 2002 (Tab 6).¹⁴ In our second interview with the subject on 7 January 2003, she admitted that many of the other calls in the Record of Calls were also personal phone calls.¹⁵ She specifically identified calls to several additional numbers¹⁶ as calls to reach the Webmaster. However, the subject maintained that no phone calls were made from NSF in support of her website business activities.¹⁷

The subject was unable to identify many of the called numbers listed on the Record of Calls, and has provided no further information about these calls, although she committed during the interview to do so.¹⁸ However, in our web search of all numbers called, we identified some numbers as businesses that seem to have a clear relationship to the business activity of the subject.¹⁹ Further, the subject stated she had a business relationship with the Webmaster.

In contrast to her claim in her first interview,²⁰ in her second interview with OIG, the subject stated her administrative officer had admonished her to avoid excessive telephone use.²¹

Although the Record of Calls shows that the subject often made personal calls soon after she completed ITAS sign-in, or just prior to ITAS sign-out; she offered no explanation for these correlations.

We also found that the subject completed lengthy personal calls on days she claimed credit hours. The Linked Compilation lists calls the subject made between April 2002 and October 2002 and links them to the subject's ITAS sign-in and sign-out times.²² A "LINK" notation is given in the last column on the right of the table when the subject initiated personal calls within ten minutes of her ITAS sign-in or sign-out, or when the subject made personal long-distance calls outside of ITAS hours. The information at Tab 10 is a Credit Hour Compilation of all days within the full nine-month period in which the subject claimed credit hours; the total minutes of personal phone calls made by the subject on those particular days is also shown. The Credit Hour Compilation shows that the

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¹⁵ redacted
¹⁶ redacted
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¹⁸ redacted
¹⁹ redacted
²⁰ redacted
²¹ redacted
²² redacted

subject claimed a total of 59.50 credit hours on days during which she completed 64.55 hours of personal phone calls.

After the second interview with the subject, OIG interviewed the subject's administrative officer²³ and then the division director.²⁴ The administrative officer told us that the subject had been involved with a second business endeavor.²⁵ The subject's administrative officer stated that the subject had passed out business cards in connection with the legal services company at work, and she had counseled the subject about not conducting personal business activities at NSF.²⁶ We identified calls in support of the legal services business in the Record of Calls.²⁷ As we noted above, the subject stated in her first interview that her supervisor and co-workers were not aware of her extensive use of the telephone for personal calls. In contradiction, the subject's administrative officer states explicitly that she had counseled the subject about telephone use and its interference with the subject's job performance.²⁸ The Division Director told us in his interview that the subject's job performance had been a continuing issue of concern.²⁹

Our examination of the complete list of telephone numbers called from the subject's desk telephone reveals only eight calls³⁰ unambiguously related to NSF business from a total of 616 calls made by the subject during the nine-month period we studied. The subject made 456 calls (lasting 112 hours) in support of her web site business,³¹ and made an additional 5 calls (lasting 0.32 hours) in support of her legal services business.³² Thirteen calls are identified as personal calls for [redacted] (identified in the notes with ☐). The subject did not provide a reason for the remaining 134 calls (lasting 28 hours). We concluded the subject made a total of 474 personal business related and other personal calls lasting 113 hours over the nine-month period.

We calculated the minimal loss to the government for the subject's actions to be approximately \$2149; we could not assign a cost to the lost productivity [redacted] because of the subject's practices nor to the cost of credit hours for legitimate or non-legitimate purposes. The cost of the 474 personal calls made by the subject during the period reviewed is \$171. The direct cost of the subject's time for the 113 hours of personal phone calls (at the subject's hourly wage of \$17.50) is \$1978.

From our interviews and examination of the Record of Calls, we learned that:

- The subject made 474 personal long-distance calls using NSF telephone resources in a nine-month period in 2002.

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³² redacted

- The subject made 450 calls to the Webmaster.
- She made calls to businesses with a clear connection to her external business interests (6 additional calls to businesses in apparent relationship to the website business, and 5 calls associated with the legal services business).
- The subject made 13 other calls that appear to be personal calls.
- Two years before the start of the period of our review, the subject's administrative officer counseled her that excessive personal telephone use was reducing the quality of her job performance.
- A correlation exists between the subject's ITAS sign-in and sign-out times and lengthy personal phone calls she made (Tab 9), and the subject repeatedly made long-distance personal calls after ITAS sign-out.
- The subject claimed credit hours on many days on which she made lengthy personal phone calls. She claimed a total of 59.50 credit hours on days during which she completed 64.55 hours of personal phone calls (Tab 10).

OIG's Assessment

Actions of the subject: The subject habitually abused NSF long-distance telephone service to make personal phone calls not allowable under NSF policy put forth in NSF Bulletin 89-6 (Tab 14). She made the majority of these calls in support of her external business activities. She states that she knowingly made long-distance personal calls from her desk telephone at NSF. She continued to do so even after she was informed that excessive use of the telephone was degrading her job performance.³³ The subject stated that she was familiar with the NSF telephone usage policy.³⁴

Intent of the subject: The subject's actions were completed in knowing disregard of NSF policy, specifically NSF Bulletin 89-6, and NSF Manual 15. The record shows explicitly that the subject repeatedly used NSF long-distance telephone services in support of her external business interests. We believe that the correlation of her ITAS sign-in and sign-out times with her initiation and completion of personal long-distance calls, and her placement of long-distance calls after ITAS sign-out, demonstrate the subject's specific intent to use NSF telephone resources for personal long-distance calls. The subject's statement that she had no long-distance service on her home telephone service further supports our assessment of the subject's intent. She used NSF's telephone to avoid paying the cost of these calls herself.

Although the subject agreed to be interviewed by us, we believe many of her responses were less than forthcoming. Her claim that her numerous and lengthy calls to the Webmaster were not related to her outside business activities is belied by the evidence establishing that she is a Vice President of the Webmaster's company. She also failed to provide us with any additional information about the many calls she made for which we could not readily identify a recipient or a purpose—including several that she called

³³ redacted

³⁴ redacted

multiple times and for lengthy periods. We believe this behavior supports a conclusion that she knew that her conduct violated NSF policy.

OIG Conclusions

We conclude:

1. **The subject knowingly violated NSF phone policy.** NSF phone policy is set forth in NSF Bulletin No. 89-6, dated February 21, 1989 (Tab 14). Calls are authorized when

- a) they do not adversely affect the job performance of the employee,
- b) when the calls are of reasonable duration and frequency, and
- c) when the calls could not reasonably have been made at another time.

The subject's repetitive and lengthy calls to many different numbers for personal- and outside business-related matters fail to meet any of the stated criteria. We calculated the cost of the subject's time for the 113 hours of personal phone calls (at the subject's hourly wage of \$17.50) is \$1978.

2. **The subject's personal calls were inappropriately billed to NSF.** The subject's personal calls during the nine-month period reviewed cost NSF \$171. The subject knowingly made the calls. Her clear intent was to have them charged to NSF because she had no long-distance service at home.

3. **The subject claimed credit hours for time worked on days when lengthy personal phone calls were made.** The Credit Hour Compilation (Tab 10) shows that the subject claimed a total of 59.50 hours of credit hours specifically on days on which a total of 64.55 hours of personal phone calls were made.

4. **The subject violated Standards for Ethical Conduct by NSF employees.** NSF policy is given in NSF Manual Number 15, "Conflicts of Interest and Standards of Ethical Conduct." The subject made numerous phone calls in support of at least two external businesses. The subject's conversations with the Webmaster, whom she reached at several Portsmouth VA telephone numbers, were related to her ownership of an income-generating domain name. The subject also made phone calls in support of her association with a legal services business. Section 56, Miscellaneous Restrictions in Manual Number 15 (pp 29-30) prohibits the unauthorized use of government property, including phone services. The prohibition reflects the language at 41 CFR 101-35.201, which codifies the authorized use of government telephones for official business only.

OIG Recommendations

We refer this case to the National Science Foundation for appropriate administrative action. Please inform us of the actions taken in this case.