



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I02020005

Page 1 of 1

An institution<sup>1</sup> refunded \$56,676 to NSF because of "irregularities" on a grant.<sup>2</sup> NSF/OIG learned that the institution had determined the co-principal investigator (subject)<sup>3</sup> on the NSF grant embezzled money by submitting falsified expense vouchers. After reviewing all financial documentation related to the project and interviewing everyone involved, including the subject, NSF/OIG determined that the subject had embezzled at least \$214,000 of NSF and other funds.

The subject pled guilty to one count of violation of 18 U.S.C. § 666 (Theft or bribery concerning programs receiving Federal funds); the Plea Agreement and Information are attached. He was sentenced to one-year of imprisonment followed by two years supervised release, and ordered to pay \$93,053 in restitution to the government; the Judgment and Commitment is attached. NSF debarred the subject for a period of three years. Accordingly, this case is closed.

<sup>1</sup> The Carnegie Institution of Washington

<sup>2</sup> NSF grant ESI-9353462 entitled "Carnegie Academy for Science and Education (CASE)"

<sup>3</sup> Charles Clinton James

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA	)	
	)	
Plaintiff,	)	
	)	
v.	)	Criminal No. 03-
	)	
CHARLES C. JAMES	)	
	)	
Defendant.	)	
_____	)	

**INFORMATION**

THE UNITED STATES ATTORNEY CHARGES:

At all times material herein:

**INTRODUCTION**

1. Defendant CHARLES C. JAMES was a natural person residing in Arlington, Virginia.
2. The CARNEGIE INSTITUTION OF WASHINGTON (CIW) was a private, nonprofit organization in Washington, D.C., engaged in basic research and education in biology, astronomy, and the earth sciences.
3. The NATIONAL SCIENCE FOUNDATION (NSF) was an independent federal agency that promoted science and engineering through programs that invested over \$4.7 billion per year in almost 20,000 research and education projects, including almost \$900 million for projects directed to science education.
4. In 1993, CIW received a 5-year \$3.8 million grant from NSF, pursuant to which CIW received more than \$10,000 for each one year period, for a project called the Carnegie

Academy for Science Education (CASE), under the direction of a Principal Investigator (PI) and two Co-PIs, one of whom was CHARLES C. JAMES.

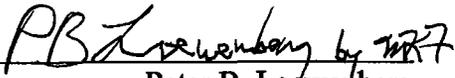
**COUNT ONE**

(Theft from a Program Receiving Federal Funds, 18 U.S.C. § 666)

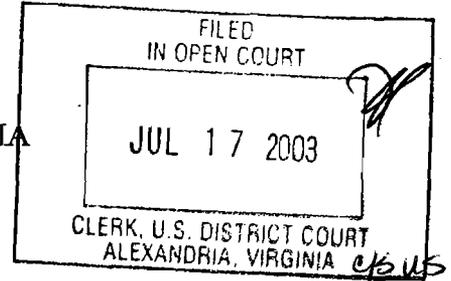
5. The allegations set forth in paragraphs 1 through 4 are realleged as if set forth fully herein.
6. From on or about July, 1994 through on or about September, 1999, in the Eastern District of Virginia and elsewhere, CHARLES C. JAMES, being an agent of Carnegie Institute of Washington, an organization that received more than \$10,000 in federal grant funds for each one year period, did embezzle, steal, obtain by fraud, and otherwise without authority knowingly convert to his use property valued at \$202,000, consisting of more than \$5,000 for each one year period, that was owned by, and under the care, custody, and control of Carnegie Institute of Washington, under a Federal program involving a Federal grant, in that JAMES caused false charges to be made to Carnegie Institute of Washington accounts for the CASE project supported under an NSF grant, for items of personal use and for payment of salary for time in excess of that actually worked.

All in violation of Title 18, United States Code, § 666.

Paul J. McNulty  
United States Attorney

  
Peter B. Loewenberg  
Trial Attorney  
U.S. Department of Justice  
10th & Constitution Avenue, NW  
Bond Building, Room 4418  
Criminal Division, Fraud Section  
Washington, DC 20530  
202-514-0840

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION



UNITED STATES OF AMERICA )  
)  
Plaintiff, )  
v. )  
)  
CHARLES C. JAMES )  
)  
Defendant. )  
\_\_\_\_\_ )

Criminal No. 03- 306 -A

**PLEA AGREEMENT**

The United States of America (specifically the United States Attorney's Office for the Eastern District of Virginia and the Fraud Section, Criminal Division, of the Department of Justice), and CHARLES C. JAMES (hereinafter referred to as the "defendant") enter into the following agreement:

1. The defendant agrees to plead guilty to a one count information which charges that from 1994 through 1999, CHARLES C. JAMES, being an agent of Carnegie Institute of Washington (CIW), an organization that received more than \$2 million in federal grant funds each year, did embezzle, steal, obtain by fraud, or otherwise without authority knowingly convert to his use property valued at more than \$200,000 that was owned by, or under the care, custody, or control of, CIW under a Federal program involving a Federal grant, in violation of Title 18, United States Code, Section 666.

2. The defendant agrees to waive indictment by a grand jury and agrees to plead guilty to the Information.

3. The defendant is aware that the sentence will be imposed in conformity with the Federal Sentencing Guidelines and Policy Statements (hereinafter "Sentencing Guidelines"), and that the

applicable guidelines will be determined by the Court relying in part on the results of a Pre-Sentence Investigation by the Court's Probation Office, which investigation will commence after the guilty plea has been entered. The defendant is also aware that, under certain circumstances, the Court may depart from the applicable guideline range and impose a sentence that is either more severe or less severe than the guideline range. Knowing these facts, the defendant understands and acknowledges that the Court has the authority to impose any sentence within and up to the statutory maximum authorized by law for the offense identified in paragraph 1 and that the defendant may not withdraw the plea solely as a result of the sentence imposed.

4. The defendant also understands and acknowledges that the Court may impose a statutory maximum term of imprisonment of up to Ten (10) years, followed by a term of supervised release. In addition to a term of imprisonment and supervised release, the Court may impose a fine of up to twice the gross gain derived from the offense, twice the gross loss resulting from the offense, or \$250,000, whichever is greater, and shall order restitution.

5. The defendant further understands and acknowledges that, in addition to any sentence imposed under paragraph 4 of this agreement, a special assessment in the amount of \$100 will be imposed on the defendant. The defendant agrees that any special assessment imposed shall be paid at the time of sentencing.

6. The United States reserves the right to inform the Court and the Probation Office of all facts pertinent to the sentencing process, including all relevant information concerning the offenses committed, whether charged or not, as well as concerning the defendant and the defendant's background. Subject only to the express terms of any agreed-upon sentencing recommendations contained in this agreement, the United States further reserves the right to make any recommendation

as to the quality and quantity of punishment.

7. The United States agrees that it will recommend at sentencing that the Court reduce by three levels the sentencing guideline level applicable to the defendant's offense, pursuant to Section 3E1.1 of the Sentencing Guidelines, based upon the defendant's recognition and affirmative and timely acceptance of personal responsibility. However, the United States will not be required to make this sentencing recommendation if the defendant: (1) fails or refuses to make a full, accurate and complete disclosure to the Probation Office and the United States of the circumstances surrounding the relevant offense conduct and his present financial condition; or (2) commits any misconduct after entering into this plea agreement, including but not limited to committing a state or federal offense, violating any term of release, or making a false statement or misrepresentation to any governmental entity or official.

8. The United States and the defendant agree that, although not binding on the Probation Office or the Court, they will jointly recommend that the Court make the following findings and conclusions in paragraphs 8a and 8 b as to the sentence to be imposed:

a. Loss: That the relevant amount of actual, probable or intended loss under Section 2F1.1(b)(1) of the Sentencing Guidelines resulting from the offense committed in this case is more than \$200,000, but no more than \$350,000;

b. Restitution: It is the position of the Fraud Section that the restitution due is \$202,000 and that the Defendant has paid restitution totaling \$108,497.

9. The defendant is aware that the sentence has not yet been determined by the Court. The defendant also is aware that any estimate of the probable sentencing range or sentence that the defendant may receive, whether that estimate comes from the defendant's attorney, the government,

or the Probation Office, is a prediction, not a promise, and is not binding on the United States, the Probation Office or the Court. The defendant understands further that any recommendation that the government makes to the Court as to sentencing, whether pursuant to this agreement or otherwise, is not binding on the Court and the Court may disregard the recommendation in its entirety. The defendant understands and acknowledges, as previously acknowledged in paragraph 3 above, that the defendant may not withdraw his plea based upon the Court's decision not to accept a sentencing recommendation made by the defendant, the government, or a recommendation jointly made by both the defendant and the government.

10. The United States reserves the right to evaluate the nature and extent of the defendant's cooperation and to make the defendant's cooperation, or lack thereof, known to the Court at the time of sentencing.

11. Defendant is aware that Title 18, Section 3742 affords a defendant the right to appeal the sentence imposed. The defendant knowingly waives the right to appeal any sentence within the maximum provided by the statute of conviction (or the manner in which that sentence was determined) on the grounds set forth in Title 18, United States Code 3742 or on any ground whatever, in exchange for the concessions made by the United States in this plea agreement. This agreement does not affect the rights of obligations of the United States as set forth in Title 18, United States Code, Section 3742 (b).

12. In consideration for the defendant pleading guilty, the United States agrees that it will not further prosecute the defendant for other offenses that were the subject of the investigation, i.e., embezzlement of funds and illegal conversion of property in the care of Carnegie Institution of Washington. The defendant acknowledges that no representations have been made to him with

respect to any civil or administrative consequences that may result from this plea of guilty, because such matters are solely within the discretion of the specific administrative or governmental entity involved and that the undersigned parties cannot bind any other federal, state, or local authority.

13. This Agreement is limited to the undersigned parties and cannot bind any other federal authority, or any state or local authority. The United States agrees, however, to advise any other federal, state or local authority of the defendant's cooperation at the defendant's request. This Agreement applies only to crimes committed by defendant. This Agreement does not apply to any civil, administrative or forfeiture proceedings, and shall not preclude any past, present, or future civil, administrative or forfeiture actions. Finally, the defendant acknowledges that this Agreement has been reached without regard to any tax matters that may be pending or which may arise involving him and that he may be prosecuted civilly or criminally for income tax violations.

14. This is the entire agreement and understanding between the United States and the defendant. There are no other agreements, promises, representations, or understandings.

Paul J. McNulty  
United States Attorney

Peter B. Loewenberg  
Trial Attorney

U.S. Department of Justice  
10th & Constitution Avenue, NW  
Criminal Division, Fraud Section  
Bond Building - Rm. 4418  
Washington, D.C. 20530  
(202)-514-0840; FACSIMILE: (202) 514-7021

Date:

7/17/03

Respectfully Submitted,



Kirby Behre  
Counsel for Defendant

Date:

7/17/03

APPROVED:  FOR  
JUSTIN W. WILLIAMS  
CHIEF, CRIMINAL DIVISION  
UNITED STATES ATTORNEY'S OFFICE  
EASTERN DISTRICT OF VIRGINIA

I have read this Agreement and carefully reviewed every part of it with my attorney. I understand it, and I voluntarily agree to it. Further, I have consulted with my attorney and fully understand my rights with respect to the provisions of the Sentencing Guidelines which may apply to my case. No other promises or inducements have been made to me, other than those contained in this Agreement. In addition, no one has threatened or forced me in any way to enter into this Agreement. Finally, I am satisfied with the representation by my attorney in this matter.

  
\_\_\_\_\_  
CHARLES C. JAMES  
Defendant

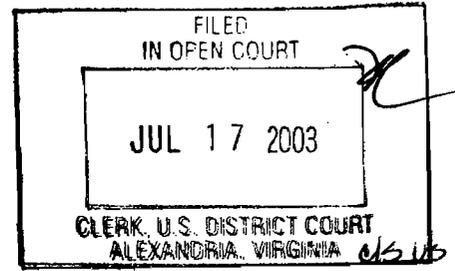
Date: 7/17/03

I am Kirby Behre. I have carefully reviewed every part of this Agreement with my client. Further, I have reviewed with my client the provisions of the Sentencing Guidelines which may apply to this case. To my knowledge, my client's decision to enter into this Agreement is an informed and voluntary one.

  
\_\_\_\_\_  
KIRBY BEHRE  
Counsel for Defendant

Date: 7/17/03

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION



UNITED STATES OF AMERICA )  
 )  
 Plaintiff, )  
 v. )  
 CHARLES C. JAMES )  
 )  
 Defendant. )  
 \_\_\_\_\_ )

Criminal No. 03-306-A

**STATEMENT OF FACTS**

If this matter were to go to trial, the United States would prove beyond a reasonable doubt the following:

1. The National Science Foundation (NSF), located in Arlington, Virginia, is an independent federal agency that promotes science and engineering through programs that invest over \$4.7 billion per year in almost 20,000 research and education projects, including almost \$900 million for projects directed to science education. Within NSF, the Directorate for Education and Human Resources (EHR) is responsible for the health and continued vitality of the Nation's science, mathematics, engineering, and technology education and for providing leadership in the effort to improve education in these areas -- and within EHR, the Division of Elementary, Secondary, and Informal Education (ESIE) focuses on pre-kindergarten through 12th-grade science, technology, engineering, and mathematics education.
2. The Carnegie Institution of Washington (CIW) is a private, nonprofit organization in Washington, D.C., engaged in basic research and education in biology, astronomy, and the earth sciences. CIW was founded by Andrew Carnegie in 1902 and incorporated by Act of Congress

in 1904. In 1993, CIW submitted a proposal to ESIE's Teacher Enhancement program, to create the Carnegie Academy for Science Education (CASE). The CASE program was designed to increase D.C. public school teachers' knowledge of science and present new methods of bringing science to their students.

3. NSF awarded a 5-year \$3.8 million grant (the NSF Grant) to CIW for the CASE project, under the direction of a Principal Investigator (PI) and two Co-PIs, one of whom was CHARLES C. JAMES. CIW also used funds from other sources in support of the CASE project.

4. The NSF Grant included an allocation for indirect costs at the rate of 27% of all direct charges to the Grant. If an item was purchased for the CASE project for \$100 and it was charged to the NSF Grant account, an additional \$27 was allocable from the NSF Grant funds to cover CIW's indirect costs, thereby totaling \$127 of the NSF Grant funds. The NSF Grant also allowed for fringe benefits to be charged for salary payments at a rate of 28.5%. If a CIW employee was paid \$100 for work on the CASE project and that salary was charged to the NSF Grant account, (1) first, an additional \$28.50 was allocable from the NSF Grant funds to cover fringe benefits, totaling \$128.50 of the NSF Grant funds that would be used to pay this cost, and then (2) an additional \$34.70 (27% of \$128.50) was allocable from the NSF Grant funds to cover CIW's indirect costs, totaling \$163.20 of NSF Grant funds.

5. In his role as Co-PI on the CASE project, JAMES was authorized to make purchases of educational materials. Starting in about July 1994, JAMES submitted "Request for Check" forms to purchase items for his personal use and facilitated payment from the NSF Grant account and other privately funded accounts by submitting CIW forms on which he identified the purchases as CASE-related. In 1997 JAMES was issued a credit card by CIW for purchases of educational materials, and thereafter he submitted similar paperwork to CIW to facilitate

payment of the credit card bill. If the items purchased were of a type that were plausibly CASE-related (such as science-related children's books), he identified them accurately on the reimbursement form (though he would not disclose that he had taken the items to his home). On four occasions, JAMES fabricated false invoices/receipts to attach to the CIW forms; at other times, he attached the actual receipts but wrote false information on the reimbursement forms to obscure the nature of the personal purchases. By this means, JAMES routinely charged the NSF Grant account and other CASE-related accounts for a wide range of personal purchases. A few examples are:

- Groceries: Numerous times at stores such as *Fresh Fields, Lee Supermarket, Safeway, etc.*
- Garden supplies and hardware: Numerous times at stores such as *Morning Glory Farm, Arlington Hardware, Home Depot, etc.* A notable purchase was 90 bags of mulch from *Arlington Hardware* for \$481.82, delivered to his home, which JAMES falsely designated on the CIW reimbursement form as "90 thermometers."
- Clothing and jewelry for his wife from *Gazelle*, a boutique in Chevy Chase that sells "wearable art and fine American crafts": 11 times. A notable purchase occurred before CIW issued the credit card to him, when JAMES submitted a fabricated invoice from *Gazelle* to CIW for "12 Lobster Breeding Aquarium Sets" and requested a check payable to *Gazelle* for \$2,655 (which the invoice stated included a \$250 "discount"); when he obtained the check he used it to purchase a diamond bracelet for his wife.
- Toys, clothing, and furniture for his children: Numerous times at stores such as *Full of Beans, One Two Kangaroo Toys; Zany Brainy, etc.* A notable purchase was a children's bedroom set from *Baby-2-Teen Furniture* for \$1,063.78, for which JAMES fabricated an invoice for the purchase of "10

Rubbermaid 200 lb. Shelf units with 7 extra shelves."

- Furniture and collectibles: Numerous times at a wide variety of locations. Notable examples: Church pews purchased for \$140 from an antique store, which JAMES falsely designated on the CIW reimbursement form as "playground benches" (which never arrived at the playground). A frog sculpture carved from ruby zoicite and a fossil sperm whale tooth purchased from a Georgetown store called *Fire And Ice* for \$714, for which JAMES fabricated a receipt for a "Fire Mineral Collection." A marble chess set purchased for \$150, which JAMES falsely designated on the CIW reimbursement form as "mineral specimens."

- Pet supplies: Numerous times at *Companion's Pet Shop* and *PetCo*.

All of the above referenced purchases were subsequently reimbursed by NSF Grant funds and private funds due to JAMES' deception.

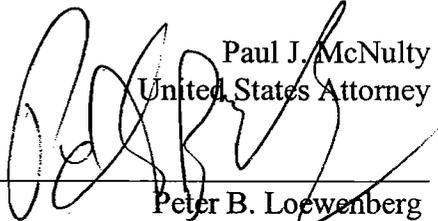
6. CIW hired JAMES' wife to work on the CASE project in 1995. She was employed part time, paid for the hours worked at a rate of \$31.25/hour based on a hand-written time sheet submitted twice each month. JAMES's wife never actually filled out her time sheets herself— instead, JAMES filled them out, signed his wife's name, and submitted them to CIW. On 61 timesheets he prepared, signed, and submitted from February 1995 to October 1997, JAMES exaggerated the hours worked by his wife on the CASE project, resulting in fraudulent charges to the NSF Grant account as well as other CIW CASE accounts.

7. All of the money received by JAMES as a result of his scheme to defraud CIW was deposited in a bank account located in Arlington, Virginia, within the Eastern District of Virginia. Moreover, all of the items that were fraudulently purchased by JAMES for his personal use were brought to his home in Arlington, Virginia, located within the Eastern District of Virginia.

8. In about September, 1999, CIW discovered a significant portion, but not all of JAMES's fraudulent purchases. After a limited review, CIW estimated that the amount of fraudulent purchases totaled approximately \$108,497, of which approximately \$56,676 was allocable to the NSF Grant account (including charges for indirect costs). CIW repaid \$56,676 to NSF and required JAMES to repay the money, with some being paid immediately and the remainder deducted in small portions from his salary. Thus far, JAMES has repaid \$108,497 to CIW.

9. Investigation by the NSF Office of Inspector General found that CIW's estimate of the extent of the fraud was low. JAMES cooperated with NSF's investigation by participating in four days of meetings to quantify the amount of the loss using a different methodology. While a precise figure of the loss amount is difficult to ascertain due to the nature of the fraud and the passage of time, an approximate estimate of the extent of JAMES' fraud was \$202,000.

Respectfully Submitted,

  
Paul J. McNulty  
United States Attorney  

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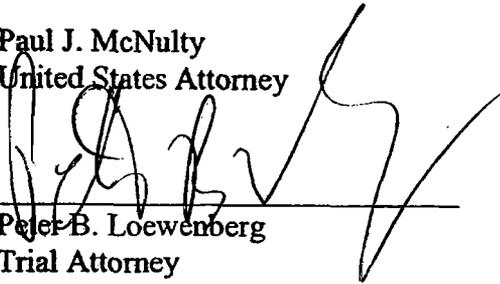
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Date: 7/17/03

Respectfully Submitted,

Paul J. McNulty  
United States Attorney



Peter B. Loewenberg  
Trial Attorney  
U.S. Department of Justice  
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Date: 7/17/03



Charles C. James  
Defendant

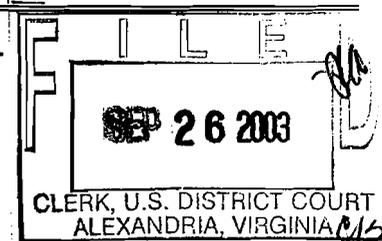
Date: 7/17/03



Kirby D. Behre  
Counsel for Defendant

Date: 6/20/03

UNITED STATES DISTRICT COURT  
Eastern District of Virginia  
Alexandria Division



UNITED STATES OF AMERICA

v.

Case Number 1:03CR00306-001

CHARLES C. JAMES,

Defendant.

**JUDGMENT IN A CRIMINAL CASE**

The defendant, CHARLES C. JAMES, was represented by Kirby D. Behre, Esquire.

The defendant plead guilty to Count 1. Accordingly, the defendant is adjudged guilty of the following count(s), involving the indicated offense(s):

<u>Title &amp; Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
18 U.S.C. 666	Theft from a program receiving federal funds (Felony)	September 1999	1

As pronounced on September 26, 2003 sentenced as provided in pages 2 through 7 of this Judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

IT IS FURTHER ORDERED that the defendant shall notify the United States Attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid.

Signed this 26<sup>th</sup> day of September, 2003.

T. S. Ellis, III  
United States District Judge

Defendant's SSN: [REDACTED]  
Defendant's Date of Birth: [REDACTED]  
Defendant's address: [REDACTED]

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

**IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a term of TWELVE (12) MONTHS.

The Court makes the following recommendations to the Bureau of Prisons:  
That the defendant be designated to a Level I institution and prison camp near the Washington D.C. Metropolitan area, so that he may remain close to his family.

The defendant shall surrender to the United States Marshal for this district, as directed by the Probation Officer and the United States Marshal Service.

**RETURN**

I have executed this Judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_ at \_\_\_\_\_, with a certified copy of this Judgment.

- c: P.O. (2) (3) ✓
- Mshl. (4) (2) ✓
- U.S. Atty. ✓
- U.S. Coll. ✓
- Dft. Cnsl.
- PTS ✓
- Financial ✓
- Registrar ✓
- ob ✓

By \_\_\_\_\_  
United States Marshal

By \_\_\_\_\_  
Deputy Marshal

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

### **SUPERVISED RELEASE**

Upon release from imprisonment, the defendant shall be on supervised release for a term of TWO (2) YEARS.

The Probation Office shall provide the defendant with a copy of the standard conditions and any special conditions of supervised release.

The defendant shall report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

While on supervised release, the defendant shall not commit another federal, state, or local crime.

While on supervised release, the defendant shall not illegally possess a controlled substance.

While on supervised release, the defendant shall not possess a firearm or destructive device.

If this judgment imposes a fine or a restitution obligation, it shall be a condition of supervised release that the defendant pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

### **STANDARD CONDITIONS OF SUPERVISED RELEASE**

The defendant shall comply with the standard conditions that have been adopted by this court (set forth below):

- 1) The defendant shall not leave the judicial district without the permission of the court or probation officer.
- 2) The defendant shall report to the probation officer and shall submit a truthful and complete written report within the first five days of each month.
- 3) The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer.
- 4) The defendant shall support his or her dependents and meet other family responsibilities.
- 5) The defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons.
- 6) The defendant shall notify the Probation Officer within 72 hours, or earlier if so directed, of any change in residence.
- 7) The defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any narcotic or other controlled substance, or any paraphernalia related to such substances, except as prescribed by physician.
- 8) The defendant shall not frequent places where controlled substances are illegally sold, used, distributed or administered.
- 9) The defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer.
- 10) The defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer.
- 11) The defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer.
- 12) The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court.
- 13) As directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics, and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

**SPECIAL CONDITIONS OF SUPERVISION**

While on supervised release, pursuant to this Judgment, the defendant shall also comply with the following additional conditions:

- 1.) The defendant must participate in, and successfully complete, a program of mental health counseling and treatment, as directed by the Probation Officer.
- 2.) The defendant must not incur any new debt or obtain any new credit cards or lines of credit without the advance approval of the Probation Officer.
- 3.) The defendant must provide the Probation Officer with access to all requested financial records and documents.
- 4.) In the event that restitution is not paid immediately, then it shall be a special condition of supervised release that the defendant pay restitution at the monthly rate of ONE HUNDRED FIFTY DOLLARS (\$150.00), beginning SIXTY (60) days after release from imprisonment, until restitution is paid in full. The Probation Officer has the discretion to increase the restitution amount, if warranted.

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

### CRIMINAL MONETARY PENALTIES

The defendant shall pay the following total monetary penalties in accordance with the schedule of payments set out below.

<u>Count</u>	<u>Special Assessment</u>	<u>Fine</u>
1	\$100.00	
<b><u>Total</u></b>	<b>\$100.00</b>	

### FINE

No fine has been ordered in this case, in light of defendant's significant restitution obligation.

### SCHEDULE OF PAYMENTS

Payments shall be applied in the following order: (1) assessment; (2) restitution; (3) fine principal; (4) cost of prosecution; (5) interest; (6) penalties.

The special assessment is due in full immediately. If not paid immediately, the court authorizes the deduction of appropriate sums from the defendant's account while in confinement in accordance with the applicable rules and regulations of the Bureau of Prisons.

Any special assessment, restitution, or fine payments may be subject to penalties for default and delinquency.

If this judgment imposes a period of imprisonment, payment of Criminal Monetary penalties shall be due during the period of imprisonment.

All criminal monetary penalty payments are to be made to the Clerk, United States District Court, except those payments made through the Bureau of Prisons' Inmate Financial Responsibility Program.

The Court has determined that the defendant does not have the ability to pay interest, and it is accordingly ordered that the interest requirement is waived.

This fine is due and payable immediately and may be collected in accordance with the Bureau of Prisons Inmate Financial Responsibility Program.

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

**RESTITUTION AND FORFEITURE**

**RESTITUTION**

The court, pursuant to the Victim and Witness Restitution Act, finds that the following is/are victim(s) of defendant's criminal conduct and has/have sustained loss in the indicated amounts and orders \$93,053.00 restitution by the defendant as follows:

<b><u>Name &amp; address of payee(s)</u></b>	<b><u>Amount</u></b>
National Science Foundation, 4201 Wilson Boulevard, Arlington, Virginia 22230	\$93,053.00
	<b><u>Total</u></b> <b>\$93,053.00</b>

Payments of restitution are to be made to Clerk, U. S. District Court.

Restitution is due and payable immediately.

If there are multiple payees, any payment not made directly to a payee shall be divided proportionately among the payees named unless otherwise specified here:

**FORFEITURE**

Forfeiture has not been ordered in this case.

Defendant: CHARLES C. JAMES  
Case Number: 1:03CR00306-001

**STATEMENT OF REASONS**

The Court adopts the factual findings and guideline application in the updated presentence report.

**OR**

The Court adopts the factual findings and guideline application in the presentence report, with the exception except (see attachment, if necessary).

**Guideline Range Determined by the Court:**

Total Offense Level: 13

Criminal History Category: I

Imprisonment Range: 12 to 18 months

Supervised Release Range: 2 to 3 years

Fine Range: \$ 3,000 to \$ 30,000

Fine waived or below the guideline range in light of defendant's restitution obligation.

Restitution: \$ 93,053

Full restitution is not ordered for the following reason(s):

The sentence is within the guideline range, that range does not exceed 24 months, and the Court finds no reason to depart from the sentence called for by the application of the guidelines.

**OR**

The sentence is within the guideline range, that range exceeds 24 months, and the sentence is imposed for the following reason(s):

**OR**

The sentence departs from the guideline range.

upon motion of the government, as a result of defendant's substantial assistance.

for the following reason(s):

**NATIONAL SCIENCE FOUNDATION**

4201 WILSON BOULEVARD  
ARLINGTON, VIRGINIA 22230



OFFICE OF THE  
DEPUTY DIRECTOR

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

Mr. Charles Clinton James  
c/o USP Lewisburg RD#5  
Lewisburg, PA 17837  
Register #: 46860-083

Re: Debarment

Dear Mr. James:

On February 17, 2004, the National Science Foundation (NSF) sent you a Notice of Proposed Debarment in which NSF proposed to debar you from directly or indirectly obtaining the benefits of Federal grants for a period of three years. The Notice sets forth in detail the circumstances giving rise to your debarment. NSF's debarment action is based upon your conviction for embezzlement. In that Notice, NSF provided you with thirty days to respond to the proposed debarment.

Over thirty days have elapsed since you received the Notice and NSF has not received a response. Accordingly, you are debarred until February 17, 2007. Debarment precludes you from receiving Federal financial and non-financial assistance and benefits under non-procurement Federal programs and activities unless an agency head or authorized designee makes a determination to grant an exception in accordance with 45 CFR Section 620.215. Non-procurement transactions include grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, insurance, payments for specified use, and donation agreements.

In addition, you are prohibited from receiving Federal contracts or approved subcontracts under the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 9.4 for the period of this debarment. 45 CFR Section 620.110(c). During the debarment period, you may not have supervisory responsibility, primary management, substantive control over, or critical influence on, a grant, contract, or cooperative agreement with any agency of the Executive Branch of the Federal Government.

If you have any questions regarding the foregoing, you may contact Lawrence Rudolph, General Counsel, National Science Foundation, 4201 Wilson Boulevard, Room 1265, Arlington, Virginia 22230.

Sincerely,

A handwritten signature in black ink that reads "Joseph Bordogna". The signature is written in a cursive, flowing style with a large, prominent initial "J".

Joseph Bordogna  
Deputy Director