This case was opened based on the results of an A-133 audit. The audit report revealed that a University grant administrator embezzled $79,220 of federal funds. During the time of the audit, the University had six National Science Foundation (NSF) grants totaling $890,745.00. The A-133 audit revealed that $3,480.00 of the embezzled funds were related to NSF funds. The University acknowledged that the grant administrator fraudulently produced invoices for nonexistent goods and services that were charged to various grants and also developed a corrective action plan to prevent future occurrences.

NSF/OIG requested that the University provide answers to various issues including any notifications made to NSF in this case, and the reasons for not notifying NSF timely. The University provided a copy of a letter in which they characterized the intentional act of embezzlement as an “administrative error.” NSF/OIG advised the University that the characterization of an intentional act of embezzlement as an “administrative error” was misleading. They advised that the University was trying to make the notifications as soon as possible, but felt that calling the errors “irregularities” was not prudent at that time.

The grant administrator was suspended and pled guilty to one count of mail fraud. S/he was sentenced to 18 months in prison, 3 years of supervised release, and ordered to make restitution. Based on the grant administrator’s conviction, we recommended this individual for debarment.

The Office of the Deputy Director sent a certified letter to the former grant administrator proposing debarment. The Office of the Deputy Director advised that they had not received any comments from the individual within the allotted time. Therefore, the Office of the Deputy Director would move to debar this individual.

Accordingly, this case is closed.

1 Footnote Redacted