



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-02100026

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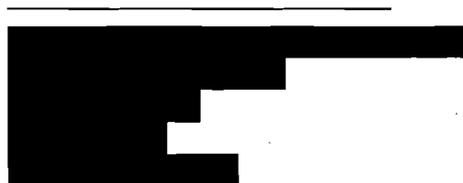
In October, 2002, the complainant¹ contacted the Grant Program Officer² and advised him that the parent company³ had declared bankruptcy after cleaning out all of the bank accounts including money from the grant. The Program Officer suspended all further grant payments until the situation could be evaluated.

Over the past few months, the complainant has submitted updated statements to indicate that the mis-appropriated funds had been recovered and all of the grant funds were accounted for. Although there was some initial concern over the rates charged against the grants for labor charges, subsequent documentation received has addressed those concerns and it is evident that the funds provided for the research identified in the Grant have been used for that purpose. It is also noted that the United States Bankruptcy Court Trustee⁴ has approved all of the financial transactions.

The complainant is actively involved in the re-organization of the subject company⁵ and helpful in providing documentation to prove that the grant money has been accounted for and that the work approved under the grant is continuing.

Based on the information contained above, it is the conclusion of this investigator that although this investigation initially involved the possible theft of grant funds, all monies associated with the grant that have been released to date have been accounted for and there is no evidence of any wrong doing on the part of the subject company. The Program Officer has been notified of the outcome of our investigative findings.

Accordingly, this case is closed.



	Investigator	Attorney	Supervisor	AIGI
Sign / date				