

Re: [unclear]



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I04090032

Page 1 of 1

NSF OIG received a complaint from an awardee¹ reporting a possible theft involving a former employee,² (Subject). Our investigation determined that while employed by the awardee, the Subject misused her corporate credit card³ to make fraudulent transactions which she then charged to both NSF and Department of Energy awards.

OIG referred the matter to the United States Attorney's Office,⁴ which accepted this matter for prosecution and assigned an Assistant United States Attorney (AUSA) to this matter.⁵

The Subject's defense attorney then negotiated a plea agreement⁶ that resulted in the Subject pleading to Count One of a Federal indictment⁷, charging her with Mail Fraud, in return for dismissing the remaining six counts. The Subject signed the plea agreement on February 12, 2007, and appeared in Federal Court on March 26, 2007, to enter the guilty plea.

On June 25, 2007, the Subject appeared in Federal Court for sentencing. The United States District Judge imposed a sentence⁸ that included 16 months incarceration to be followed by 3 years of supervised release. Additionally, the Judge ordered the Subject to pay a special assessment fee of \$100 and make restitution in the amount of \$18,214.15.

On September 10, 2007, OIG submitted a report to NSF with a recommendation that the Subject be debarred for a period of 5 years. On January 10, 2008, NSF issued a Notice of Proposal of Debarment advising the Subject that NSF was proposing to debar her for a period of 3 years. On February 26, 2008, NSF issued a final debarment notice⁹ to the Subject advising her she has been debarred until February 15, 2011.

Accordingly, this case is closed.

¹ University Corporation for Atmospheric Research (UCAR), a non-profit consortium located in Boulder, Colorado.

² Jennifer DeLaurant, administrative assistant. Her employment began in November 1998 and ended in July 2004.

³ The Subject was given a Visa credit card for the purpose of making purchases for and on behalf of UCAR, part of her job responsibilities.

⁴ District of Colorado (USAO-DCO)

⁵ Thomas O'Rourke, Chief, Criminal Fraud Section

⁶ See Tab #1-Plea Agreement dated 2/14/2007

⁷ See Tab #2-Indictment dated 12/19/2006

⁸ See Tab #3-Judgement in a Criminal Case dated 6/25/2007

⁹ See Tab #4-Notice of Debarment dated 2/26/2008

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF THE
DEPUTY DIRECTOR

FEB 26 2008

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Ms. Jennifer DeLaurant
Register Number 34647-013
Federal Medical Center
P.O. Box 27137
Fort Worth, TX 76127

Re: Debarment

Dear Ms. DeLaurant:

On January 10, 2008, 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 NSF’s decision to propose your debarment. Specifically, NSF indicated in the Notice that the proposed debarment is based upon your plea of guilty for mail fraud, in which you misappropriated NSF funds for your own use. In that Notice, NSF provided you with thirty days to respond to the proposed debarment.

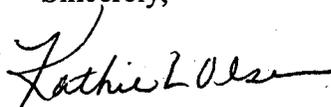
Over thirty days have elapsed and NSF has not received a response. Accordingly, you are debarred until February 15, 2011. Debarment precludes you from receiving Federal financial and non-financial assistance and benefits under non-procurement Federal programs and activities unless an agency head or authorized designee makes a determination to grant an exception in accordance with 2 CFR Section 180.135. 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. 2 CFR Section 180.170. 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, please contact [REDACTED], Assistant General Counsel, National Science Foundation, Office of the General Counsel, 4201 Wilson Boulevard, Room 1265, Arlington, Virginia, 22230.

Sincerely,

A handwritten signature in cursive script that reads "Kathie L. Olsen". The signature is written in black ink and is positioned above the printed name.

Kathie L. Olsen
Deputy Director

NATIONAL SCIENCE FOUNDATION

4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF THE
DEPUTY DIRECTOR

JAN 10 2008

CERTIFIED MAIL --RETURN RECEIPT REQUESTED

Ms. Jennifer DeLaurant
Register Number 34647-013
Federal Medical Center
P.O. Box 27137
Fort Worth, TX 76127

Re: Notice of Proposed Debarment

Dear Ms. DeLaurant:

This letter serves as formal notice that the National Science Foundation ("NSF") is proposing to debar you from directly or indirectly obtaining the benefits of Federal grants for a period of three years. During your period of debarment, you will be precluded from receiving Federal financial and non-financial assistance and benefits under non-procurement Federal programs and activities. In addition, you will be prohibited from receiving any Federal contracts or approved subcontracts under the Federal Acquisition Regulations ("FAR"). Lastly, during your debarment period, you are barred from having 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.

Reason for Debarment

Your debarment is based upon a referral from NSF's Office of Inspector General ("OIG"). NSF's record demonstrates that you pleaded guilty to a charge of mail fraud, in which you misappropriated NSF funds for your own use. You were sentenced to sixteen months in prison, followed by three years of court-ordered supervision. In addition, you were ordered to pay restitution in the amount of \$32,451.91.

Regulatory Basis for Debarment

Pursuant to 2 CFR 180.800, debarment may be imposed for:

(a) Conviction of or civil judgment for –

(1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction; or

(3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; or

(4) Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility.

In any debarment action, the government must establish the cause for debarment by a preponderance of the evidence. 2 CFR 180.850. If, as in this case, the proposed debarment is based upon a conviction or civil judgment, the standard of proof is met. *Id.* Therefore, your conviction for mail fraud supports a cause for debarment under 2 CFR 180.800(a)(1),(3), and (4).

Length of Debarment

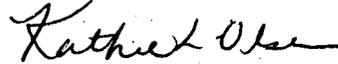
Debarment must be for a period commensurate with the seriousness of the causes upon which an individual's debarment is based. 2 CFR 180.865. Having considered the seriousness of your actions, as well as the relevant aggravating and mitigating factors set forth in 2 CFR 180.860, we are proposing debarment for a period of three years.

Procedures Governing Proposed Debarment

The provisions of 2 CFR Sections 180.800 through 180.855 govern debarment procedures and decision-making. Under our regulations, you have 30 days after receipt of this notice to submit, in person, or in writing, or through a representative, information and argument in opposition to this debarment. 2 CFR 180.860. Please note, however, that because your debarment is based on a conviction, you will not have an opportunity to challenge the facts underlying the conviction. 2 CFR 180.830(a). Comments submitted within the 30-day period will receive full consideration and may lead to a revision of the recommended disposition. If NSF does not receive a response to this notice within the 30-day period, this debarment will become final.

Any response should be addressed to Lawrence Rudolph, General Counsel, National Science Foundation, Office of the General Counsel, 4201 Wilson Boulevard, Room 1265, Arlington, Virginia, 22230. For your information, we are attaching a copy of the Foundation's regulations on non-procurement debarment and FAR Subpart 9.4.

Sincerely,



Kathie L. Olsen
Deputy Director

Enclosures:
Investigative Report
Nonprocurement Debarment Regulations
FAR Regulations

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230

September 10, 2007



OFFICE OF
INSPECTOR GENERAL

To: Dr. Arden L. Bement, Jr.
Director

From: *James C. Boesz*
Dr. Christine C. Boesz
Inspector General

Subject: Debarment of Jennifer Lee DeLaurant

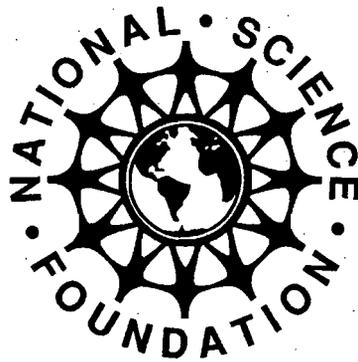
Attached is our summary of the facts related to the criminal conviction of Jennifer Lee DeLaurant, former Administrative Assistant at the University Corporation for Atmospheric Research (UCAR), for mail fraud resulting in a financial loss to UCAR and the Federal Government totaling \$18,214.15.

We recommend that NSF debar Ms. DeLaurant for a period of five years. We believe this action will adequately protect NSF's interests. Our recommended action is described in detail in the attached report. Based on her criminal conviction, the subject was not provided with a copy of this report nor was she provided an opportunity to comment.

If you have any questions about the report or our recommendation, I would be happy to discuss them with you. My staff point of contact for this matter is James Evans at 703-292-7398.

cc: Lawrence Rudolph, General Counsel
[REDACTED]

National Science Foundation Office of Inspector General



Confidential
Investigation Report
Case Number I-04090032
September 10, 2007

This Confidential Investigation Report is the property of the NSF OIG and may be disclosed outside NSF only by OIG under the Freedom of Information and Privacy Acts, 5 U.S.C. §§ 552, 552a.

1) OIG INVESTIGATION

a) **Factual Background:**

NSF OIG received a complaint from the Vice President of Finance and Administration at UCAR⁸ reporting a possible theft involving a former UCAR employee, Jennifer Lee DeLaurant⁹ (Subject). Our investigation determined that while employed by UCAR, the Subject misused her corporate credit card¹⁰ to make fraudulent transactions which she then charged to the NSF and DOE accounts. The Subject's conduct began on November 18, 2003, and continued until July 22, 2004, at which time the theft was discovered by UCAR officials. During that time, the Subject used her corporate credit card to make approximately 90 unauthorized purchases for her own use and benefit. These purchases included Apple® iPods®, books, camping supplies, household items such as hand-painted bowls, a swimming pool cover, and a dog bed and were made online from different vendors from the Subject's office computer at UCAR.

After making a purchase, the Subject was required to make entries in UCAR's online purchase tracking system¹¹ describing the item purchased and designating a fund from which the transaction was to be paid. The Subject made various misrepresentations in the entries to disguise the fact they were unauthorized purchases of personal items¹² resulting in the items being improperly charged to projects supported by Federal funds from both NSF and DOE awards. The Subject designated three accounts from which her unauthorized purchases were to be paid:¹³ including \$8,677.37 from NSF funds; \$6,451.59 from DOE funds; and \$2,781.02 to UCAR's general funds.

Between June 8, 2004, and July 22, 2004, the Subject used eBay® to sell most of the iPods® and received approximately \$10,371.81 from those sales.¹⁴ She then used UCAR's FedEx® account to ship the items to her customers.¹⁵ UCAR terminated the Subject on July 23, 2004. NSF and DOE OIG agents interviewed the Subject on September 25, 2005 during which she admitted to making the purchases and provided the agents with a sworn affidavit outlining her actions.

b) **Referral to the Department of Justice:**

OIG concluded that the Subject violated criminal statutes,¹⁶ and therefore referred the matter to the United States Attorney's Office for the District of Colorado (USAO-DCO), which

⁸ UCAR is a non-profit consortium that focuses on scientific research and is located in Boulder, Colorado.

⁹ The Subject was employed as an administrative assistant. Her employment began in November 1998.

¹⁰ The Subject was given a Visa credit card for the purpose of making purchases for and on behalf of UCAR, part of her job responsibilities.

¹¹ PaymentNET

¹² The misrepresentations were as follows: books were entered as having been bought for UCAR scientists or other employees, a canister set was entered as an "optical mouse"; iPods® were described as "disk drives" and "power supplies."

¹³ These amounts do not include the \$304.17 for unauthorized FedEx charges included in the court-ordered restitution.

¹⁴ The Subject kept the proceeds of those sales for her own use and benefit.

¹⁵ The Subject did not have permission or authorization from UCAR to use the FedEx® account; \$304.17 in charges were incurred.

¹⁶ 18 U.S.C. §1341, and 18 U.S.C. §666.

accepted this matter for prosecution and assigned an Assistant United States Attorney (AUSA) to this matter.¹⁷

The AUSA contacted the Subject in an attempt to obtain a pre-indictment plea agreement. After initially indicating a desire to resolve this matter through a plea agreement, the Subject engaged in a pattern of delay tactics and attempts to use an unrelated injury as reason to delay resolving this matter. After months of unsuccessful attempts to agree on a plea, the AUSA obtained a criminal indictment on December 19, 2006, charging the Subject with seven counts of Mail Fraud.

The Subject's defense attorney then negotiated a plea agreement that resulted in the Subject pleading to Count One of the indictment, charging her with Mail Fraud, in return for dismissing the remaining six counts. The Subject signed the plea agreement on February 12, 2007, and appeared in Federal Court on March 26, 2007, to enter the guilty plea.

On June 25, 2007, the Subject appeared in Federal Court for sentencing. The United States District Judge imposed a sentence that included 16 months incarceration to be followed by 3 years of supervised release. Additionally, the Judge ordered the Subject to pay a special assessment fee of \$100 and make restitution in the amount of \$18,214.15.

2) OIG ASSESSMENT

a) Debarment

Subject's Actions

The Subject committed a criminal act by knowingly devising a scheme to defraud or obtain money or property by means of false pretenses, representations or promises.

The Subject caused another person to send something through a private or commercial interstate carrier for the purpose of carrying out the scheme.

Subject's Intent

The Subject knowingly misrepresented the descriptions of the items purchased to UCAR with specific intent to defraud or to obtain money or property by means of false pretenses, representations or promises.

Burden of Proof

In debarment actions, the burden of proof lies with the acting agency (NSF) to demonstrate by a preponderance of the evidence that cause for debarment exists.¹⁸ In this matter the preponderance of the evidence indicates that the Subject purposely and willfully violated Title 18, Section 1341 of United States Criminal Code. The Subject's guilty plea resulted in her conviction for the commission of a criminal offense in connection with performing a public or private agreement or transaction.¹⁹ Further, the Subject's actions indicate a lack of business integrity and honesty that seriously and directly affects her present responsibility to manage Federal funds.²⁰

¹⁷ Thomas O'Rourke, Chief, Criminal Fraud Section

¹⁸ 2 C.F.R. §180.850, and 2 C.F.R. §180.855.

¹⁹ 2 C.F.R. § 180.800 (a) (1).

²⁰ 2 C.F.R. §180.800 (a) (4).

Relevant Factors

The debarment regulation lists 19 factors that the debarring official must consider.²¹ Listed below are the factors pertinent to this case.

- a) **Actual or Potential Harm or Impact**²² – The Subject’s actions resulted in a financial loss to UCAR, NSF and DOE totaling \$18,214.15.
- b) **Frequency or Duration of Incidents**²³ – The Subject made more than 48 purchases that include a total of more than 90 individual items with the UCAR credit card and converted those items for her own personal use.
- c) **Pattern of Wrongdoing**²⁴ - The Subject made 48 fraudulent purchases over a period of 9 months before the discovery of her scheme brought it to an end.
- d) **Role in Wrongdoing**²⁵ -The Subject planned, initiated, and carried out the wrongdoing herself.
- e) **Acceptance of Responsibility**²⁶ - The Subject accepted responsibility by entering a guilty plea before the court.
- f) **Repayment**²⁷ -The Subject has been ordered by the Court to make restitution in the amount of \$18,214.15.
- g) **Cooperation of the Subject**²⁸ - The Subject agreed to be interviewed by OIG investigators and initially denied any involvement in the fraudulent purchases. However, after being presented with evidence of her involvement gathered by the investigators, the Subject subsequently admitted responsibility for making the purchases and provided a sworn affidavit describing her actions. The Subject indicated a desire to resolve the criminal charges by entering an agreement to plead guilty, however she continually delayed accepting an agreement, requiring DOJ to seek an indictment. Only after the Subject was indicted did she negotiate a plea agreement.
- h) **Position Held by Subject**²⁹ – The Subject used her position as an administrative assistant, with control over the data entry of purchasing and the authority to use a corporate credit card to facilitate the commission of her offense.
- i) **Organizational Action**³⁰ – The Subject was dismissed from her position with UCAR on July 23, 2004.
- j) **Other Factors (Criminal Penalties Imposed)**³¹ – The Subject accepted a plea agreement on February 12, 2007, resulting in a guilty plea to one count of mail

²¹ 2 C.F.R. §180.860.

²² 2 C.F.R. §180.860 (a).

²³ 2 C.F.R. §180.860 (b).

²⁴ 2 C.F.R. §180.860 (c).

²⁵ 2 C.F.R. §180.860 (f).

²⁶ 2 C.F.R. §180.860 (g).

²⁷ 2 C.F.R. §180.860 (h).

²⁸ 2 C.F.R. §180.860 (i).

²⁹ 2 C.F.R. §180.860 (k).

³⁰ 2 C.F.R. §180.860 (l).

³¹ 2 C.F.R. §180.860 (s).

fraud resulting in a sentence of 16 months; an assessment of \$100.00; no fine; and restitution in the amount of \$18,214.15.³²

2) Recommendations

Despite the Subject's sentence, she continues to possess the skills to be hired in a position administering federal awards. In order to further protect the interests of the public and the NSF, we recommend that NSF debar the Subject for 5 years.³³

³² The restitution amount includes: \$17,909.98, the total amount actually charged to the credit card plus \$304.17, the unauthorized FedEx® costs.

³³ 2 C.F.R. § 180.800 et seq,