



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I05010007

Page 1 of 1

OIG received a referral from the Office of Audit advising that a contract audit of two NSF awards<sup>1</sup> to a non-profit organization had identified numerous issues. These issues included potential: salary payments to ghost employees, overcharging labor costs, use of award funds for personal purposes, refusal to provide supporting documentation, large payments from the non-profit foundation to its for-profit parent company, and a questionable relationship between the non-profit and the for-profit parent company.

As part of our investigation, we issued subpoenas to the Awardee and its parent company demanding both companies' records related to the awards. We also issued subpoenas to two banks where the companies held accounts. After reviewing records received in response to our subpoenas, interviewing key current and former employees,<sup>2</sup> and reviewing recently completed A-133 audit reports, OIG found no evidence of criminal conduct. However, the absence of evidence of criminal conduct does not resolve outstanding audit issues, and we are referring this matter back to our Office of Audit to take appropriate action to resolve the remaining audit issues.

Accordingly, this case is closed.

1

2