



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I05030014

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We received information from the United States Department of Justice (DOJ) that an institution (subject)¹ entered into an agreement with the United States² to settle a qui tam action.³ The major claim of the lawsuit was that the subject failed to have adequate internal controls to ensure that cost transfers were made in a timely fashion, for an appropriate reason, and with adequate documentation.

Moreover, during the initial investigation it was determined that the subject's accounting systems were incapable of complying with applicable Federal regulations regarding the request, receipt, and use of Federal grant proceeds.

As a result of the settlement agreement, NSF received a recovery of \$4,826 as its proportion of the recovery. The settlement did not address or mandate any compliance plan. Thus, subsequent to the settlement agreement, OIG forwarded the information received from DOJ to NSF and requested that NSF take a series of actions to protect NSF award funds issued to the subject. In response, NSF agreed to take the recommended actions to protect NSF funds.

Accordingly, this case is closed.

¹ Mayo Foundation

² Settlement Agreement (Attachment 1)

³ United States ex rel. Long v. Mayo Foundation, CV02-522 ADM/SRN, filed on March 1, 2002 by Christine Long, a former accounting associate for the Mayo Foundation's Research Accounting Department.