



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I05090051

Page 1 of 1

The Office of Audits of the National Science Foundation Office of Inspector General notified the Office of Investigations of an ongoing internal investigation at an institution.¹ The available information indicated that the institution had initiated the investigation to examine substantial questioned expenses on numerous NSF awards² involving a single principal investigator.³

OIG investigation revealed that the institution had completed its internal investigation, which identified numerous expenses⁴ improperly charged to NSF awards, including a small amount of falsified expenses. Following consultation with NSF about its findings, the institution made appropriate adjustments in a quarterly cash transaction report to return those funds to NSF. The institution determined that the principal investigator's conduct merited substantial institutional discipline in addition to repayment to the institution of duplicate or otherwise unjustified reimbursements previously made to the investigator. The institution also took various remedial steps including revision of policies and forms governing conflicts of interest, nepotism, travel expenses and subawards, employment of additional compliance personnel to enhance education and consultative resources, and implementation of additional internal audit mechanisms.

In the course of responding to inquiries generated by the OIG investigation, the institution uncovered additional improperly-charged expenses⁵ that were duly refunded to NSF.

OIG concluded that the institution's investigation adequately developed the essential details of various financial irregularities and criminal misconduct, and provided an adequate basis for identification and calculation of the questioned amounts that were returned to NSF. OIG further concluded that the measures taken by the institution to deal with its investigative findings, both as to discipline and remedial measures, were reasonable and appropriate. The disciplinary measures were forceful enough to deter the investigator, and others who knew of the outcome, from committing similar mistakes in the future. The remedial measures strengthened the management controls for travel expenses and dealings with family members, and enhanced the compliance and audit functions. The steps taken provide reasonable assurance that the individual and systemic problems identified during the investigation have been resolved and will not recur.

Accordingly, this case is closed.

¹ [REDACTED] The Office of Audits learned of the investigation through review of a then-current annual OMB Circular A-133 report.

² [REDACTED]

³ [REDACTED]

⁴ Approximately \$142,000.

⁵ Approximately \$6,000.