



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I07110046

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The OIG investigation found that a university employee¹ fraudulently supplemented her university salary by abusing her association with a university vendor that provided services to the university in connection with NSF awards. The employee, in her capacity as a consultant² employed part-time by the university vendor, apparently submitted fraudulent invoices through the vendor to the university for consultant work on an NSF award³ in 2002 and 2003 that she never actually performed.

The university paid the invoices because the employee, while performing duties at the university related to the award, authorized the university's Accounts Payable Office to pay the consulting company for the false invoices. After being paid by the university, the consulting company paid the employee. The fraudulent invoices charged to the NSF amounted to \$8,995.21, and with overhead totaled \$13,890.90. The investigation did not find evidence that the consulting company was aware of the employee's fraud.

An Assistant United States Attorney from the Central District of California declined criminal prosecution due to insufficient evidence. The university terminated the employee due to the financial irregularities associated with the federal grant. The university accepted fiduciary responsibility, refunded \$13,890.90 to NSF, and took corrective actions to help prevent fraud in future grants.

Accordingly this investigation is closed.

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