



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I09080052

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We received information regarding improper costs charged to two NSF awards¹ identified in an internal audit conducted by a grantee². The grantee refunded \$316,853 to NSF. After the grantee discovered the inappropriate charges, the PI for both awards (Subject)³ was fired and was replaced as PI on both awards. Based on our review of the internal audit report and relevant files, we determined the Subject misappropriated \$8,848 for personal expenses, \$915 of which were directly charged to the NSF awards at issue.

We identified several other awards on which the Subject served as PI or co-PI. As a result of our review of those grant files, another grantee⁴ returned \$2,010 to NSF for participant support costs that were reallocated without permission from NSF.⁵

Based on our concerns regarding the Subject's mismanagement of NSF funds at his/her previous institution, we referred the matter to NSF for adjudication. NSF and the Subject negotiated and executed an administrative agreement for one year.⁶

This memorandum and the attached administrative agreement between NSF and the Subject constitute the case closeout. Accordingly, this case is closed.



ADMINISTRATIVE AGREEMENT

This Agreement is made and entered into by and between the National Science Foundation ("NSF") and [REDACTED] to fully resolve issues associated with the Notice of Proposed Debarment issued by NSF to [REDACTED] on [REDACTED]

The terms of the agreement are as follows:

I. Preamble

1. From 2005-2008, [REDACTED] served as the Associate Director [REDACTED]
2. During [REDACTED] tenure at [REDACTED] oversaw two NSF-funded projects, for which [REDACTED] served as the Principal Investigator.
3. As a result of an audit conducted by [REDACTED] determined that, in October 2006, [REDACTED] charged personal expenses to one of the NSF awards. The inappropriate expenses totaled a little less than \$1,000.
4. As a result of this same audit, [REDACTED] determined that, beginning in 2004, [REDACTED] incurred many additional unallowable personal expenses on other, non-NSF awards. In total, [REDACTED] calculated that he misspent \$8,841.21 from 2004-2008.
5. On July 25, 2008, [REDACTED] terminated [REDACTED] as a result of his misconduct. As part of a settlement reached in conjunction with [REDACTED] termination from [REDACTED] agreed to have his final leave settlement offset against his personal charges as reimbursement for the misappropriated funds.
6. [REDACTED] denies any wrongdoing.
7. As a result of [REDACTED] alleged misconduct, NSF determined that [REDACTED] was not presently responsible.

Initials: [REDACTED] [REDACTED] [REDACTED]

8. Consequently, on August 2, 2010, NSF issued to [REDACTED] a Notice of Proposed Debarment ("Notice"), in which NSF proposed to debar [REDACTED] for a period of one year.
9. On September 1, 2010, after receiving the Notice, [REDACTED] purposefully stopped working on all NSF-funded research.
10. In order to ensure NSF of his present responsibility, [REDACTED] agrees to take the remedial actions specified in this Agreement.
11. NSF has determined that, in light of all the facts and circumstances now available, and the additional actions that [REDACTED] has agreed to take, as specified in the terms and conditions of this Agreement, adequate assurance exists that [REDACTED] will conduct any future dealings with the Federal government with the high degree of honesty and integrity required of a Federal government contractor or non-procurement program participant and that the debarment of [REDACTED] is not necessary at this time to protect Federal government interests.

NOW THEREFORE, without admitting any wrongdoing and in order to resolve this matter, the parties agree as follows:

II. Terms and Conditions

12. Term: This Agreement shall be in effect until August 31, 2011.
13. Termination of Proposed Debarment of [REDACTED] Effective upon the execution of this Agreement, the proposed debarment of [REDACTED] shall be terminated by NSF.
14. Ethics Training: By March 1, 2011, [REDACTED] shall complete an ethics training course on the law and regulations applicable to an individual's responsibilities as a recipient of Federal funding.
15. Special Terms and Conditions for NSF Funding: [REDACTED] must comply with the following terms and conditions for the duration of this Agreement:
 - a. Any proposal to NSF on which [REDACTED] serves as either the Principal Investigator ("PI") or co-PI must note the existence of this Agreement. [REDACTED] must notify [REDACTED] of such a proposal within five business days of its submission to NSF.

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- b. Any expenditures by [REDACTED] on any NSF grant on which he is the PI must be countersigned or approved by either his department supervisor, or someone with appropriate authority in the institution's sponsored research or grant/contract offices.
- c. For any NSF grant on which [REDACTED] is the PI, [REDACTED] will be prohibited from receiving cash advances against anticipated expenditures. Instead, he will be reimbursed for expenses incurred after appropriate documentation is provided to NSF.

16. **Reporting:** [REDACTED] shall submit a written report to NSF within ten days of the expiration date of the Agreement. In this report, [REDACTED] shall describe the measures he has taken to comply with this Agreement. Specifically, each report shall include a certification concerning the ethics training completed pursuant to paragraph 14 of this Agreement, as well as a description of the course taken. Moreover, in the report, [REDACTED] must identify any proposal submitted to NSF for which he is identified as a PI or co-PI.

17. **Employment of Excluded Parties:** [REDACTED] agrees that if he should go into business for himself during the period of this Agreement that he shall not knowingly hire an individual who is suspended or debarred or otherwise declared ineligible for Federal programs to work as an agent, representative, or principal, for purpose of the performance of any Federal procurement and non-procurement award. In order to carry out the policy, [REDACTED] shall check the Excluded Parties List System (<http://www.epls.gov>) in connection with any new hire.

18. **Release:** [REDACTED] hereby waives and releases all claims that he has or could have alleged against NSF prior to the date of the execution of this Agreement, including but not limited to claims against past and present officials and employees of NSF in their official or individual capacities.

19. **Cooperation by [REDACTED]:** When requested [REDACTED] shall cooperate fully with any investigation of suspected wrongdoing involving the actions of third parties. In doing so, however, [REDACTED] will not be required to waive any constitutional or legal protections to which he may be entitled.

20. **Representations:** [REDACTED] represents that all information supplied to NSF by him or his authorized representative during the course of

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discussions preceding this Agreement are true and accurate to the best of his information and belief. [REDACTED] understands that this Agreement is executed on behalf of NSF in reliance upon the truth and accuracy of all such representations.

21. **No Waiver:** Nothing in this Agreement limits NSF or any other Federal agency from initiating administrative actions, including suspension or debarment, should information indicating the propriety of such action come to the attention of NSF or any other Federal agency.
22. **Breach:** The causes for debarment survive the execution of this Agreement and NSF may initiate debarment proceedings against [REDACTED] on these grounds if there is a material breach of this Agreement. NSF will provide written notice to [REDACTED] of any alleged failure to meet his obligations under the terms of this Agreement. If [REDACTED] fails to submit an acceptable plan of corrective action to NSF within twenty (20) calendar days of receipt of such notice, or as otherwise permitted by NSF, NSF may initiate debarment proceedings against [REDACTED].
23. **Entire Agreement:** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, related to the subject matter hereof. It can be modified only by a written document signed by both parties.
24. **Authority of the United States:** The provisions of this Agreement in no way alter or diminish the rights and responsibilities of the United States to carry out its lawful functions in any proper manner.
25. **Severability:** In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement.
26. **Non-Precedential:** This Agreement does not have any precedential effect and shall not be used, cited or relied upon in future administrative or judicial proceedings, unless necessary to demonstrate that a breach of the Agreement occurred.
27. **Notices:** Any notices or information required by this Agreement shall be in writing and mailed by registered or certified mail, postage prepaid, to NSF as follows:

[REDACTED]
Assistant General Counsel

Initials: [REDACTED] [REDACTED] [REDACTED]

National Science Foundation
4201 Wilson Boulevard, Ste. 1265
Arlington, VA 22230

28. Certification: By signature hereto, [REDACTED] certifies that he understands the provisions of 18 U.S.C. 1001 are applicable to the statements and representations contained herein.

SIGNATURES:

[REDACTED]

12/9/2010
Date

[REDACTED]

12/9/2010
Date

[REDACTED]

12/10/10
Date

Assistant General Counsel
National Science Foundation

Initials:

[REDACTED] [REDACTED] [REDACTED]