

NATIONAL SCIENCE FOUNDATION
4201 WILSON BOULEVARD
ARLINGTON, VIRGINIA 22230



OFFICE OF
INSPECTOR GENERAL

MEMORANDUM

Date: April 3, 1998

To: I97040017 [REDACTED]

Via: [REDACTED] Special Agent-in-Charge

From: [REDACTED] Special Agent
[REDACTED] Special Agent [REDACTED]

Re: Case Resolution

Background

On April 14, 1997, NSFOIG received an internal audit report from University of [REDACTED] Special Projects Office regarding NSF grant [REDACTED]. According to the audit report, [REDACTED] Co-Director [REDACTED] (who also holds a Department of Energy (DOE) funded position) and her Administrative Assistant [REDACTED] established an unauthorized commercial bank account to administer registration fees and expenses associated with [REDACTED] workshops and conferences. Specifically, the audit report identified that, in early 1996 [REDACTED] lent [REDACTED] approximately \$6,000 (\$2,000 on January 9, 1996 and \$4,000 on March 28, 1996) from the unauthorized bank account. Then, on four separate occasions (June 3, 1996, July 20, 1996, September 6, 1996, and September 18, 1996), [REDACTED] wrote herself \$11,600 worth of checks from this account by forging [REDACTED] signature. [REDACTED] was dismissed in January 1997, and reimbursed [REDACTED] \$18,600.

Investigation

During the investigation, NSFOIG interviewers obtained a signed affidavit from [REDACTED]. In the affidavit, [REDACTED] admitted to writing herself checks and forging [REDACTED] name. Also, the [REDACTED] Police obtained a videotaped confession from [REDACTED]. We obtained copies of all of the questioned checks, and reviewed other [REDACTED] expenditures for possible fraud.

We identified several instances where either [REDACTED] and/or [REDACTED] made misrepresentations in [REDACTED] U5-IE forms, [REDACTED] (hereafter Form 5s) and charged alcohol expenses related to [REDACTED] functions to the NSF grants. [REDACTED] and/or [REDACTED] also inflated guest attendance figures for these functions so as to obtain reimbursement for meal expenses that exceeded the approved [REDACTED] per diem rates. These misrepresentations may have resulted in \$10,816 in questionable costs, and this issue has been referred to the [REDACTED] Office of Internal Audit for resolution. In addition, we have referred this issue to the DOE's Office of Inspector General. That office is now reviewing [REDACTED] DOE-related travel expenses for possible fraud.

Referral and Case Resolution

On September 23, 1997, we referred this matter to the U.S. Attorney's Office for the Northern District of California, recommending that they pursue criminal action against [REDACTED] and/or [REDACTED]. While the U.S. Attorney's Office declined to take action against [REDACTED] a complaint was filed and [REDACTED] was summoned to court on December 10, 1997. On April 1, 1998, [REDACTED] and Assistant U.S. Attorney C. [REDACTED] entered an agreement for pretrial diversion of this matter. The terms of the pretrial diversion direct that [REDACTED] remain on supervised probation for 18 months, obtain psychological counseling, and perform 200 hours of community service. Should [REDACTED] violate this probation, she will be liable for her actions which led to the pretrial diversion and the act which violated her probation.

In addition, after reviewing the NSFOIG analysis of Form 5s submitted by [REDACTED] and [REDACTED] [REDACTED] reimbursed the NSF grant \$7,365 for unallowable alcohol and excessive per diem expenses.

Due to lack of evidence to suggest other criminal or civil violations by [REDACTED] or [REDACTED] further investigation by NSFOIG is not warranted at this time. This case is closed.