



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-16-0005-O

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We initiated an investigation into allegations that a Principal Investigator was misusing grant funds. Specifically, it was alleged that the PI's time commitments exceeded 100% while working as a Co-PI on another NSF award, that the PI was charging unallowable expenditures to the award, that materials were purchased with federal grant money and subsequently resold to students, and that the PI contracted with a friend to serve as a consultant on an NSF award. Our investigation found that materials were purchased using NSF grant funds and then sold to students generating less than \$1,500 in income. A review of documents provided by the complainant did not reveal evidence that the PI's time commitment exceeded 100%, that unallowable charges were approved and charged to the NSF grants, or that NSF prohibited the use of the consultant. However, we identified some potential weaknesses in the university's time and effort reporting system.

We issued a letter to the university advising of its obligation to follow rules and regulations that apply to NSF awards, specifically with regards to time and effort and concerns regarding the tracking and reporting of program income. In response to our letter, the university said it is implementing a new time and effort system, and that it will include additional training about program income in its next series of grant training, and report the income generated from selling materials purchased with the grants to the relevant Program Officers and follow their recommendations.

This case is closed with no further action taken.