



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-17-0072-O

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We learned from another OIG that a non-profit organization may have double charged labor costs to NSF and the other Federal agency. The non-profit was a sub-contractor under an NSF Cooperative Agreement. By the time we learned of the allegations, the other OIG had already presented the case to a United States Attorney's Office, which accepted the matter as a potential violation of the Civil False Claims Act.

After reviewing financial and other records from the non-profit, we determined that the sub-contractor had not double billed the agencies for labor costs, thus the allegations were unsubstantiated. However, while performing its own internal review of the double billing, the sub-contractor determined that it had inadvertently mischarged some salary costs as direct rather than indirect costs. The sub-contractor self-disclosed its findings to us along with a written, detailed explanation of the mischarges and a proposal to make the agencies whole.

Ultimately, the sub-contractor resolved the mischarges by processing cost adjustments or credits back to both agencies totaling over \$100,000, of which more than \$35,000 was credited to NSF. We reviewed and verified that the adjustments/credits had been made, and the United States Attorney's Office closed the matter.

This case is closed with no further action taken.