

NATIONAL SCIENCE FOUNDATION
WASHINGTON, D.C. 20550



Office of
Inspector General

MEMORANDUM

DATE: September 24, 1991

REPLY TO

ATTN OF: Special Agent [REDACTED]

SUBJECT: Closeout report Case No. I9102006

TO: File

In February, 1991, the Investigations Unit was notified of an embezzlement of NSF Funds at the [REDACTED], in [REDACTED] NY. I telephoned [REDACTED], the general counsel for the [REDACTED] who told me that [REDACTED] the Manager of Grants Accounting, and two of his friends had embezzled \$700,000 of NIH funds, \$10,000 of Department of Education funds and \$2,700 of NSF funds. Mr. [REDACTED] said that Special Agent [REDACTED] HHS-OIG, was investigating the embezzlement and a special audit was being conducted by the accountants for the [REDACTED]. I then contacted SA [REDACTED] who confirmed that most of the money embezzled was NIH funds. SA [REDACTED] also stated that he would keep me posted on the outcome of the investigation.

On March 27, [REDACTED] and [REDACTED] Certified Public Accountants issued [REDACTED]

The report stated that \$2755.39, from NSF grants were embezzled. On June 26, 1991, the [REDACTED] sent a check in the amount of \$2755.39 to NSF.

On April 26, 1991, [REDACTED] pled guilty to Grand Larceny in the Second Degree in the County Court: County of Westchester, State of New York. On June 26, 1991, [REDACTED] was sentenced to 2-6 years in State of New York Prison and ordered to pay restitution of \$1,263,665 to the [REDACTED]. [REDACTED] pled guilty to Grand Larceny in the Third Degree and was sentenced to 90 days in jail and 5 years probation, and ordered to pay restitution in the amount of \$300,000. [REDACTED] pled guilty to Grand Larceny in the 4th degree, and was sentenced to 5 years probation, 200 hours of community service, and ordered to

pay restitution in the amount of \$90,000.

All matters peratining to this case have been resolved and this file is accordingly closed.

