



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-16-0119-O

Page 1 of 1

We investigated an allegation that a university was misusing grant funds budgeted for graduate students to do research. Instead, the university paid graduate students to conduct unrelated teaching activities. Our investigation determined that the university knowingly submitted requests for payment that included stipend expenses for graduate students performing teaching duties unrelated to the research grants in violation of federal cost principles and NSF award terms and conditions. The rules require that only allocable expenses be charged to NSF awards. We referred the matter to a U.S. Attorney's Office and it was accepted for civil prosecution. The university ultimately agreed to pay over \$3 million to settle the allegations, and also revised its policies and enhanced its controls so that this would not happen again.

This case is closed with no further action taken.