

Summary: USGS Grant Recipient Improperly Used Grant Funds and Violated Grant Terms and Conditions

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The OIG investigated allegations jointly with the Office of the New York State Comptroller that, from fiscal years (FYs) 2020 through 2022, New York State Museum (NYSM) grant administrators directed a former NYSM Education Specialist to falsify his timesheets and fraudulently overreport his time-and-effort percentages toward multiple U.S. Geological Survey (USGS) grant projects administered by NYSM. The projects were related to USGS' "STATEMAP" component of the National Cooperative Geologic Mapping Program. We substantiated the allegations.

Awards issued under the STATEMAP Program are subject to a 1:1 matching funds requirement. As part of the award process, NYSM submitted a proposed budget narrative, which USGS approved. NYSM represented in its proposed budget that its expected cost share would come from paying the salaries of employees working on the grant as well as associated travel expenses and supply costs. NYSM was accordingly allowed to draw down Federal funds from the grant in amounts approved in the budget.

Our investigation found that NYSM did not execute its STATEMAP projects in accordance with the approved proposals and revised budgets it certified to USGS and that it did not meet its State match¹ requirements for STATEMAP projects for FYs 2020, 2021, and 2022. We found that NYSM officials instructed their employees to submit inaccurate timesheets reflecting inflated levels of involvement in STATEMAP programs. NYSM officials also charged the salaries of two employees who did not work under the grant, and they could not account for one employee's Federally funded salary. In total, we found that NYSM improperly drew down \$597,624 in USGS grant funds from FYs 2020 through 2022.

We also found that NYSM violated the terms and conditions of the grant when it, without USGS approval, changed key personnel referenced in the proposal and reallocated funds budgeted for field expenses (including travel and office supplies) to pay staff salaries. Both of these changes required advanced approval by the USGS program office.

In April 2025, a senior New York State official acknowledged to our office that the State had not met the full match requirement for the FY 2022 grant cycle. We found, however, that the subsequent actions taken by the State only addressed \$40,511 of the improper drawdowns. The official also stated that once the State became aware of the charging issues (after our office initiated its investigation), it changed how staff accounted for and reported their time on the FY 2022 STATEMAP project.² Our review of STATEMAP timesheets confirmed that this occurred.

According to USGS, NYSM provided all required technical reports, deliverables, and final reports for all three STATEMAP grant projects.

We presented this matter to the U.S. Attorney's Office for the Northern District of New York, which declined to intervene with civil enforcement in deference to administrative action and recovery by USGS.

¹ State match is the expected share of project costs paid for by the State (in this case, NYSM).

² We initiated our investigation in July 2024. STATEMAP funds from FY 2022 continued to be used at this time, as they were considered two-year funds.



This is a summary of an investigative report we issued to the Director of USGS for the potential collection of lost revenues and any other action deemed appropriate.

