

## **Memorandum**

**(Confidential)**

To: Pamela Chally, Interim Provost and Vice President, Academic Affairs Administration  
Cc: John Delaney, President, University of North Florida  
Rachelle Gottlieb, Vice President for Human Resources  
Shari Shuman, Vice President for Administration and Finance  
Karen Stone, Vice President, General Counsel  
Daniel Moon, Professor-Associate Vice President, Academic Affairs Administration  
John Kantner, Associate Vice President for Research  
George Rainbolt, Dean, College of Arts and Sciences  
From: Julia Hann, Internal Audit Director  
Date: March 30, 2018  
Subject: Investigation #2018.08 Outside Activities

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## **Background**

On March 5, 2018, the Office of Internal Auditing (OIA) was contacted by Brock University in Ontario, Canada. Brock University received an invoice from UNF Chemistry Associate Professor, Christos Lampropoulos (Lampropoulos), for work done on a UNF XRD machine. Brock University contacted us because the amount was quite large (\$9,000USD) and requested payment directly to Lampropoulos. Upon receiving this information, OIA started an investigation.

## **Executive Summary**

Christos Lampropoulos (Lampropoulos) did not comply with the UNF Faculty Handbook, Section 4.6 and the United Faculty of Florida Collective Bargaining Agreement, Article 26 by performing outside consulting for Brock University on UNF equipment and not completing the outside activity form before beginning the consulting. Secondly, Lampropoulos did not comply with Florida State Statute 112.061(10) by claiming reimbursement for charges on a University purchasing card (p-card). Lastly, Lampropoulos did not comply with University Purchasing Card procedures by purchasing personal items on his P-card. Specifically, charges are as follows:

- Lampropoulos received a \$1,200 payment in October 2017 and invoiced Brock University for an additional \$9,000 in February 2018 for work conducted using UNF equipment without disclosing to UNF.
- Lampropoulos submitted receipts and received travel reimbursements from Brock University, University of Las Vegas, Nevada, and the University of Guelph for \$1,440.38 paid on his University Procurement Card and \$18.10 reimbursed to Lampropoulos via per diem.
- Lampropoulos paid for a rental car on his P-card for personal travel in the amount of \$69.44. This amount was reimbursed to the University after an audit from the University Controller's Office Purchasing Card Auditor.

## **Outside Consulting Activity**

Lampropoulos provided an invoice dated 10/18/2017 to Brock University in the sum of \$1,200US. The invoice specified to "Please send payment of \$1,200 USD to Prof. Christos

*Lampropoulos by 10/23/2017.*" This invoice was paid to Lampropoulos by Brock University and not reported to UNF.

Lampropoulos provided a second invoice dated 2/19/2018 to Brock University for \$9,000US which was also not reported to UNF. The invoice specified to *"Please send payment of the above amount in US Dollars payable to Prof. Christos Lampropoulos at the University of North Florida by 03/01/2018."* A copy of both invoices are attached to the end of this memorandum for reference (**Appendix A**). The \$9,000US invoice was questioned by Brock University. The Office of Internal Auditing requested Brock University to hold payment on the invoice while we reviewed the matter.

We learned through interview that Lampropoulos' supervisor, the Chemistry Chair, was unaware of these engagements with Brock University to use the XRD machine.

The faculty handbook, section 4.6 states:

*"Any faculty member who proposes to engage in any outside activity which the faculty member should reasonably conclude may create a conflict of interest, or in any outside compensated professional activity, shall report to the faculty member's supervisor, in writing, the details or such proposed activity prior to engaging therein. (Forms are available on the Human Resources' website at [www.unf.edu/dept/humanres/forms/index.html](http://www.unf.edu/dept/humanres/forms/index.html)."*

Further, the United Faculty of Florida Collective Bargaining Agreement, Article 26 states:

*"A faculty member who proposes to engage in any outside activity which the faculty member should reasonably conclude may create a conflict of interest, or in any outside compensated professional activity, shall report to the faculty member's supervisor, in writing, the details of such proposed activity prior to engaging therein. (b) The report, as described in paragraph 26.4(a), above, shall include where applicable, the name of the employer or other recipient of services; the funding source; the location where such activity shall be performed; the nature and extent of the activity; and any intended use of University facilities, equipment, or services. (c) A new report shall be submitted for outside activity previously reported at: (1) the beginning of each fiscal year for outside activity of a continuing nature; and (2) such time as there is a significant change in an activity (nature, extent, funding, etc.). (d) The reporting provisions of this section shall not apply to activities performed wholly during a period in which the faculty member has no appointment with the University."*

## **Travel Irregularities -Brock University**

In October 2017, Lampropoulos traveled to Brock University. On this trip, Lampropoulos also spent one day at the University of Guelph (also in Ontario, Canada). This TR (TR027675) specified Brock University would be paying for all travel expenses except for airfare and rental car. The following items were paid on Lampropoulos' P-card:

- Airfare from Jacksonville to Toronto, Ontario for \$601.79

- A super shuttle to Jacksonville Airport from Lampropoulos's house for \$50.00
- One night's hotel stay in Guelph, Ontario for \$144.26US, \$179.67CAN
- Gas use of rental car for \$12.04US, \$15.00CAN
- Hyundai Tucson car rental for two days for \$134.94US, \$167.96CAN
- Niagara Airbus to the Toronto Airport from Brock University for \$77.00US, \$96.05CAN
- Foreign currency fees totaling \$3.68

Lampropoulos received the following reimbursements from Brock University and University of Guelph:

- \$651.79US for the airfare and taxi to the airport (\$601.79+\$50) from Brock University
- \$134.94US, \$167.96CAN for car rental from Brock University
- \$77.00US, \$96.05CAN for Niagara Airbus from Brock University
- \$144.26US, \$179.67CAN for the hotel stay from University of Guelph

**Subtotal: \$1,007.99**

## Travel Irregularities - University of Las Vegas, Nevada

In November 2017, Lampropoulos traveled to the University of Las Vegas, Nevada (UNLV). The reason for this trip according to TR027968 was "Dr. Lampropoulos will present research project development and funding request development at the University of Nevada in Las Vegas 11/27/17-11/30-17." UNF paid for Lampropoulos's meals in addition to the following items which were paid on Lampropoulos's P-card:

- Airfare from Jacksonville to Las Vegas for \$393.60
- Two Uber receipts, one for \$9.20, one for \$8.51
- A rental car for \$47.45
- Parking at Jacksonville Airport for \$21.08

Lampropoulos received \$450.49 from UNLV for the following:

- Airfare from Jacksonville to Las Vegas for \$393.60
- Two Uber receipts, one for \$9.20, one for \$8.51
- Parking at Jacksonville Airport for \$21.08
- A reimbursement for a meal for \$18.10.

**Subtotal: \$450.49**

Florida State Statute 112.061(10) states:

*"FRAUDULENT CLAIMS.—Claims submitted pursuant to this section shall not be required to be sworn to before a notary public or other officer authorized to administer oaths, but any claim authorized or required to be made under any provision of this section shall contain a statement that the expenses were actually incurred by the traveler as necessary travel expenses in the performance of official*

*duties and shall be verified by a written declaration that it is true and correct as to every material matter; and any person who willfully makes and subscribes any such claim which he or she does not believe to be true and correct as to every material matter, or who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under the provisions of this section of a claim which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such claim, is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s.775.083. Whoever shall receive an allowance or reimbursement by means of a false claim shall be civilly liable in the amount of the overpayment for the reimbursement of the public fund from which the claim was paid."*

## **Lampropoulos Response**

When asked about the Brock University and University of Guelph charges, Lampropoulos said he believed the \$1,200 payment was for work done for Brock University, on a trip he made to a Magnet Lab, not for the XRD. Since Lampropoulos did not fill out an outside activity form, this work is not noted anywhere, and Brock University did not receive invoices for consulting work, only a \$1,200 invoice shown in Appendix A. He believed the reimbursement from Brock University for travel expenses was also for the Magnet Lab work. Finally, he believed he placed the charge for the hotel stay on his personal credit card, not his University P-card.

It is unclear why Lampropoulos believed he should be getting reimbursement for work done while visiting a magnet lab since he did not invoice Brock University for this work, and Brock University provided travel receipts for support of their payment. When asked if any additional invoices were sent to other universities, Lampropoulos said he did not send any additional invoices other than the \$9,000 invoice in Appendix A.

Further, when asked about travel to University of Las Vegas, Nevada, he stated it was unclear what they were paying. However, UNLV provided to OIA travel receipts as support for the payments to him.

## **University Procurements Cards - Personal Charges**

Lampropoulos's P-card is audited by the Controller's Office Procurement Card Auditors (P-card auditors) at least every six months to ensure charges are compliant with University policies and procedures. The most recent audit was performed in March 2018. One of the findings was Lampropoulos renting a car outside of the dates of an approved university travel on his P-card. The account manager specifically requested, multiple times, Lampropoulos reimburse the charge to the University. However, Lampropoulos refused to do so until the P-card auditor completed his audit and requested payment. At the time the charge was reimbursed, Lampropoulos was aware of the investigation.

Due to personal use of the Purchasing Card, we recommend the controller's office require Lampropoulos to take refresher training to ensure Lampropoulos is familiar with the P-card policies and procedures.

The University of North Florida P-card Policies and Procedures state the following regarding personal purchases:

*"The University of North Florida P-Card is only to be used for official University business transactions only. Should the card be inadvertently used for a personal purchase, reimbursement to the University must be immediate and is mandatory. Repeated use of the University P-Card for personal purchases will result in Cardholder privileges being revoked or may require other disciplinary action up to and including termination. Deliberate misuse or fraudulent use of the University P-Card may bring more stringent disciplinary actions as may be appropriate. Please refer to Appendix IV for a detailed list of consequences for P-Card misuse."*

Appendix IV states the following potential consequences for personal purchases of the P-card:

P-Card Misuse or Policy Non-Compliance	Consequences
Uses card for personal gain (intentional)	<ol style="list-style-type: none"> <li>1. Reimburse the University</li> <li>2. Auditor will issue a Discrepancy Memo and/or Post Audit Review with Finding</li> <li>3. Card revocation</li> <li>4. May be subject to disciplinary action up to, and including termination</li> <li>5. May be subject to civil/criminal charges</li> </ol>
Uses card for personal gain (unintentional)	<ol style="list-style-type: none"> <li>1. Reimburse the University</li> <li>2. Auditor will issue a Discrepancy Memo and/or Post Audit Review with Finding</li> <li>3. May be subject to card revocation if recurrent offense</li> <li>4. May be subject to disciplinary action</li> </ol>

## Corrective Action:

The Office of Internal Auditing recommends the following **immediate** corrective action:

1. Suspend Lampropoulos' p-card due to multiple p-card procedure violations.
2. Request ORSP to work with Brock University for the usage of the UNF XRD equipment and resolve any unpaid amounts due. We recommend Lampropoulos reimburse UNF **\$1,200** which Brock University paid with intent for it to be applied to the XRD equipment usage.
3. We recommend Lampropoulos reimburse UNF **\$1,458.48** [\$1007.99+\$450.49] for duplicate travel reimbursements received from Brock University, University of Guelph, and University of Las Vegas, Nevada.

## Internal Controls Recommendations:

The Office of Internal Auditing recommends the following to improve internal control weaknesses identified during this review:

1. We learned p-card reviews are not always reviewed/approved by the faculty's immediate supervisor. For example, faculty who have grant funding, may be reviewed and coded by ORSP. Without the employee's direct supervisor approving p-card transactions, it increases risks to the University that supervisors are not placed in positions to provide oversight.

2. We recommend departments use equipment logs to document equipment usage.
3. We recommend the University recertify the faculty's laptop for each international trip to ensure compliance to export controls. We learned during these trips to Canada, measures were not taken to recertify Lampropoulos' laptop for compliance to export controls because he had documented that it had been reviewed from previous trips.

## Appendix A

### INVOICE FOR SERVICES IN SINGLE-CRYSTAL X-RAY CRYSTALLOGRAPHY

Name: Christos Lampropoulos, PhD  
Address: University of North Florida, Department of Chemistry, 1 UNF Dr.,  
Jacksonville FL32224, USA  
Email: [c.lampropoulos@unf.edu](mailto:c.lampropoulos@unf.edu)  
T: (904) 620-2152

To: Professor Theocharis C. Stamatatos  
Chemistry Department, Brock University  
L2S3A1 St. Catharines, Ontario, Canada

Date: 2/19/2018

Date	Quantity	Description	Price
Invoice date 02/16/2018	30	Single-crystal X-ray structures of 30 coordination compounds:	\$300 USD
Dates of service: 11/1/2017 - 2/1/2018		Service includes 1) handling and mounting of the crystals to the X-ray diffractometer, 2) costs for the low-temperature cryogenics, 3) hourly operative costs of the diffractometer, 4) solution and complete refinement of the obtained structures, and 5) preparation of the final crystallographic material for publication and other research-based purposes	
<b>Total:</b>			<b>\$9,000 USD</b>

Please send payment of the above amount in US Dollars payable to **Prof. Christos Lampropoulos at the University of North Florida** by 03/01//2018.

Sincerely,



Christos Lampropoulos

VENDOR U. North Florida  
ACCOUNT Stamatatos  
REC-2018-08321  
CC

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Cancelled  
VENDOR U. North Florida  
ACCOUNT Stamatatos  
REC-2018-08321  
CC

**INVOICE FOR SERVICES IN SINGLE-CRYSTAL X-RAY  
CRYSTALLOGRAPHY**

Name: Christos Lampropoulos, PhD  
Address: University of North Florida, Department of Chemistry, 1 UNF Dr., Jacksonville  
FL32224, USA  
Email: [c.lampropoulos@unf.edu](mailto:c.lampropoulos@unf.edu)  
T: (904) 620-2152

To: Professor Theocharis C. Stamatatos  
Chemistry Department, Brock University  
L2S3A1 St. Catharines, Ontario, Canada

Date: 10/18/17

Date	Quantity	Description	Price
10/10/2017	6	Single-crystal X-ray structures: this includes handling and mounting of the crystals to the X-ray diffractometer, costs for the low-temperature cryogenics, operative costs of the diffractometer, solution and complete refinement of the obtained structures, preparation of the final crystallographic material for publication and other research-based purposes	\$200 USD
<b>Total:</b>			<b>\$1,200 USD</b>

Please send payment of \$1,200 USD to Prof. Christos Lampropoulos by 10/23/2017.

Sincerely,



Christos Lampropoulos