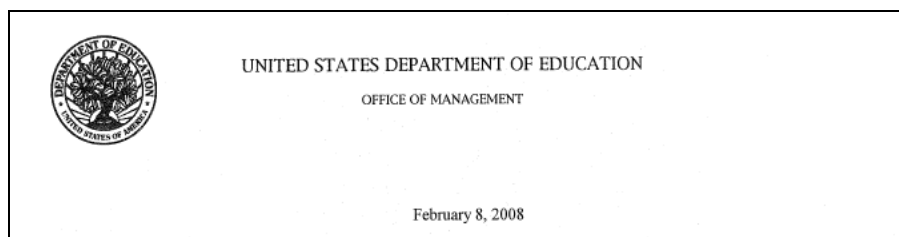


Puffing the Books

Part III of a Look Back on Farhang Niroomand's BIE Incubator

On 8 February 2008, reporters at USMNEWS.NET received a response from the U.S. Department of Education's Maria-Teresa Cueva to a request, through 5 U.S.C. § 552 – *The Freedom of Information Act* (FOIA) – for documentation regarding former CoB Associate Dean, Farhang Niroomand's, application for a Business and International Education (BIE) grant.




That DoE program, CFDA #84.153A, has provided Niroomand with tens of thousands of dollars throughout the years for use in setting up a business and international education “incubator,” a project that Niroomand has used time and again as a [self-promotion tool](#) within USM and beyond. This report, Part II in a series, continues our examination of the “puffery” employed by Niroomand (in his grant application) in order to secure the DoE funds used to set up the BIE incubator at USM.¹



Farhang Niroomand

In Part III in this series, we examine the puffed budgets associated with Niroomand's proposed BIE incubator. Niroomand's incubator application, filed in Washington, D.C., under OMB Control Number 1890-0004, requests federal funds for a two-year project period. His "Section A -- Budget Summary," which is inserted below, lists funding requests from the DoE in five (5) specific areas: personnel, fringe benefits, travel, supplies, and "other." The requests for salaries ("personnel") includes two line items -- each on totaling \$25,366 -- that total \$50,732. These funds were used by

¹ As long-time readers of USMNEWS.NET will recall, “puffery” is a term former USM economist, Charles Sawyer, used to describe EFIB Chair George Carter's [dubious claim](#) to have been the [Interim MS IHL Commissioner](#) in 1987.

	U.S. DEPARTMENT OF EDUCATION		OMB Control Number: 1890-0004			
	BUDGET INFORMATION		Expiration Date: 06/30/2005			
NON-CONSTRUCTION PROGRAMS						
Name of Institution/Organization: University of Southern Mississippi		Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.				
SECTION A - BUDGET SUMMARY						
U.S. DEPARTMENT OF EDUCATION FUNDS						
Budget Categories	Project Year 1(a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel	\$ 25366	\$ 25366	\$ 0	\$ 0	\$ 0	\$ 50732
2. Fringe Benefits	\$ 6210	\$ 6210	\$ 0	\$ 0	\$ 0	\$ 12420
3. Travel	\$ 6400	\$ 4500	\$ 0	\$ 0	\$ 0	\$ 10900
4. Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5. Supplies	\$ 3500	\$ 1500	\$ 0	\$ 0	\$ 0	\$ 5000
6. Contractual	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
7. Construction	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8. Other	\$ 49800	\$ 55300	\$ 0	\$ 0	\$ 0	\$ 105100
9. Total Direct Costs (lines 1-8)	\$ 91276	\$ 92876	\$ 0	\$ 0	\$ 0	\$ 184152
10. Indirect Costs*	\$ 5478	\$ 5590	\$ 0	\$ 0	\$ 0	\$ 11068
11. Training Stipends	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
12. Total Costs (lines 9-11)	\$ 96754	\$ 98466	\$ 0	\$ 0	\$ 0	\$ 195220
<p>*Indirect Cost Information (To Be Completed by Your Business Office):</p> <p>If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:</p> <p>(1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(2) If yes, please provide the following information: Period Covered by the Indirect Cost Rate Agreement: From: 4/27/2004 To: 6/30/2007 (mm/dd/yyyy) Approving Federal agency: <input type="checkbox"/> ED <input checked="" type="checkbox"/> Other (please specify): Department of Health & Human Services</p> <p>(3) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that: <input type="checkbox"/> Is included in your approved Indirect Cost Rate Agreement? or, <input type="checkbox"/> Complies with 34 CFR 76.564(c)(2)?</p>						

Niroomand to pay staffers, such as John Clark (finance) and Chang-Tseh Hsieh, for instructional services. In each of the two years, another \$6,210 (for a total of \$12,420) of fringe benefits are included for incubator staffers. Niroomand's budget also requests that \$5,000 in federal monies be allocated for the purchase of supplies, while a request for \$105,100 in the "Other" category was made by Niroomand for the two-year period (\$49,800 in year one plus \$55,300 in year 2). These expenses, plus indirect costs (to USM), total an amazing \$184,000 (approximately) for the two-year period.

As earlier parts of this series indicate, Niroomand's incubator grant request was applicable to the period beginning 1-July-2005 and ending 30-June-2007. To cover travel during this period, Niroomand requested that the U.S. DoE provide him (and his incubator) with \$6,400 in year 1 and \$4,500 in year 2. These two figures total \$10,900 for the entire two-year period. These figures are interesting in that they allow for a deeper evaluation of a popular report in the USMNEWS.NET Archives entitled "[Niroomand on the Move](#)". This report chronicles 59 months of Niroomand's travel -- an activity that generated a gross expenditure of \$75,189.38. The 59 month period

covered in the report ends with the period July-05 through June-06 -- the first year of the two years covered by Niroomand's DoE application.

As "[Niroomand on the Move](#)" shows, Niroomand was reimbursed *at least* **\$22,626.55** over just the 12-month period from July-05 through June-06. That amount dwarfs the \$6,400 requested by Niroomand from the DoE for that period. In fact, Niroomand's \$6,400 request from the DoE (for year 1) accounts for only **28 percent** of the total travel money Niroomand spent that year (year 1)! This is an important point because Niroomand has stated to many CoB faculty that USMNEWS.NET's reporting on his travel shenanigans fails to account for his DoE incubator grant funding. In May of 2007, after the CoB's spring faculty meeting, Niroomand even accosted the editor of USMNEWS.NET in the corridors of Greene Hall, shaking paperwork he (Niroomand) claimed that exonerated him of allegations of any untoward travel activities. The paperwork is what USMNEWS.NET reporters presume is the paperwork that Niroomand has cited in his conversations with CoB faculty about USMNEWS.NET's reporting of his travel escapades. Thus, Niroomand's own DoE incubator grant application refutes Niroomand's accounts of his (Niroomand's) travel expenditures.