



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-16-0019-O

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We received an allegation that a Small Business Innovation Research (SBIR) awardee violated the primary employment requirement. We substantiated the allegation and determined the awardee submitted multiple false certifications that the PI's primary employment was with the awardee at the time of the award and during the conduct of the research, as the PI was not legally allowed to work for the awardee for approximately the first two months of the award. The PI submitted an application for authority to work in the United States only a few weeks before the start of the award, with a requested start date one month into the award. We recommended NSF suspend and subsequently terminate the award, and NSF concurred with our recommendations. We also referred the matter to the U.S. Department of Justice, which accepted the case for civil prosecution. The company ultimately agreed to pay the United States over \$100,000 to resolve the allegations.

We also looked at a second, related SBIR awardee to determine whether it had violated the PI primary employment requirement. We determined the PI was not legally allowed to work for the awardee during approximately three weeks of the award, after the PI's authorization to work in the United States lapsed approximately six months into the award. We referred the matter to the U.S. Department of Justice, which declined the case in lieu of administrative remedies. We then referred the matter to NSF to recover a final payment. NSF and the company ultimately agreed that the company would return approximately \$4,000 to NSF.

This case is closed with no further action taken.