



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-17-0056-O

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We received allegations that an SBIR company was not tracking its actual award expenditures under a Phase II award. Our investigation confirmed that the company did not maintain time and effort reports or otherwise track employee time and effort on a per-project basis during the Phase II award. However, we found no other concerns with its expenditure of funds. Regarding time and effort, the company reported employees' time and effort on a calendar month basis. Interviews and reviews of documents indicated that the salaries ultimately charged to the award likely reflected an underestimate of effort on the project. However, since the company represented to NSF that it would track time and effort using hourly timesheets throughout the period of the Phase II award and did not do so, we presented the case to the U.S. Attorney's Office. The U.S. Attorney's Office declined to pursue the matter. We issued a letter to the company in which we explained the obligation to follow rules and regulations that apply to NSF awards, specifically with regards to time and effort.

This case is closed with no further action taken.