



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-17-0074-O

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This case was opened following allegations that the PI on an SBIR award was not primarily employed by the SBIR company as required, and that the SBIR company was inappropriately using technologies owned by a university without a license. We subpoenaed records from the SBIR company, the company's bank, and the company owner's university employer. We interviewed company personnel. We found evidence that the company owner submitted false certifications in relation to SBIR awards and referred the matter to a U.S. Attorney's Office where it was accepted for criminal prosecution. Ultimately, the company owner pled guilty to one count of wire fraud in relation to a certification that falsely claimed a PI was primarily employed by the SBIR company when that PI was a full-time employee elsewhere and was not an employee of the SBIR company. As part of the plea deal, the company owner resigned from his university position and agreed to a three-year voluntary exclusion. We recommended that NSF terminate the company owner's awards through both the SBIR company and the university employer. NSF concurred with our recommendation, resulting in over \$900,000 in funds put to better use. The company owner was sentenced to 8 months of home confinement.

This case is closed with no further action taken.