



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-11080039

Page 1 of 1

We conducted an investigation of a Connecticut for-profit company¹ and concluded that the company filed false financial reports and cash requests with NSF and that the PI² misused NSF award funds, by among other things: (1) making bonus payments to a family member, (2) renting property from himself, without disclosing the self-dealing to NSF, (3) paying a consultant for a personal conversation, and (4) retaining over \$19,000 of unexpended grant funds in his account when he closed out the award. Throughout the period of the misconduct, the PI also had sole control of the affiliated non-profit organization's³ bank account, and was transferring money between the organizations at will, implicating NSF award funds. During the pendency of the investigation, the affiliated non-profit organization took multiple steps to sever the PI's control over its finances and instituted policies and procedures to protect federal funds in the future.

The U.S. Attorney's Office entered into civil settlements under the False Claims Act, one with the for-profit company and the PI, and the second with the non-profit company. Both settlements require a mandatory five-year compliance plan to begin on the date that either company submits an NSF proposal. In addition, the for-profit company and the PI returned \$145,531 to the government, and agreed to a one-year voluntary exclusion from receiving federal funds.

This case is closed.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]