



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I12050018

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We participated in a joint investigation<sup>1</sup> of a small business<sup>2</sup> located in Houston, TX. The investigation determined the PI<sup>3</sup> (Subject 1) was not primarily employed by the company during the NSF award period; the PI submitted forged letters of support in SBIR proposals to numerous agencies; the company did not have dedicated research facilities, as alleged in its proposals; and the PI did not disclose in SBIR proposals that an employee<sup>4</sup> (Subject 2) of a subawardee,<sup>5</sup> who was a significant contributor, was also affiliated with the small business.

We recommended that NSF terminate the SBIR Phase II award<sup>6</sup> at issue; however, the award had already expired, so NSF retained the final award payment of over \$70,000. Based on our recommendation, NSF also suspended Subject 1 and the small business government-wide. Subject 2 and affiliated individuals and companies were suspended government-wide by another agency.

Subject 1 and 2 each pled guilty to two misdemeanor counts of false official certificate or writing. The small business pled guilty to one count of felony conspiracy. Subject 1 and 2 were sentenced to imprisonment and over \$200,000 restitution. The small business was required to pay a fine.

Based on our recommendation, NSF debarred Subject 1 and the small business. To resolve the proposed debarment by another agency, that agency and Subject 2 entered into an administrative agreement.

Accordingly, this case is closed.

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]