



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I13060035

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We received an allegation that a company submitted its Final Report for an SBIR award (the Award) nearly a year late and had not paid its technical consultant or its subcontractor university under the Award. We substantiated the allegations and reviewed the company's other SBIR/STTR awards. Our investigation found that the company's PI inflated his approved labor rate and paid himself significantly more than what was budgeted, the company paid employees for work unsupported by timesheets, and the company charged NSF awards for expenditures incurred after the final reports were submitted and approved. We recommended NSF withhold the final payment for the Award, and NSF concurred with our recommendations. We also referred this matter to the U.S. Department of Justice, which accepted the case for civil prosecution. The company ultimately agreed to pay the United States approximately \$100,000 to resolve the allegations. A civil complaint was filed and immediately dismissed based on the settlement agreement. We worked jointly with the U.S. Department of Energy Office of Inspector General on this matter.

This case is closed with no further action taken.