



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I13080050

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We investigated allegations that a company and its owner misused Small Business Innovation Research award funds obtained from NSF and the United States Army (Army). After a joint investigation, we determined that the company entered into an unauthorized and undisclosed subcontract with another of the owner's companies regarding an Army award; the company and owner did not properly account for hours worked by company employees on the awards; the owner used award funds to finance loans to himself and other companies he owned; and after the Principal Investigator left the company towards the end of the award, the company submitted a false certification regarding the primary employment of the Principal Investigator.

The case was referred to the U.S. Attorney's Office for the relevant district and was accepted for civil prosecution. The company and the owner ultimately entered into a civil settlement agreement in which they agreed to pay more than \$170,000 to resolve the allegations.

This case is **closed** with no further action taken.