



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

**CLOSEOUT MEMORANDUM**

**Case Number: I-14060022**

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We received an allegation that a company that had received NSF SBIR funding had billed federal awards for hours spent working on unrelated projects and activities. We subpoenaed the company, its financial institutions, and its vendors and interviewed current and former company personnel. We found evidence that the company had requested NSF funding for work it had already completed and charged NSF for expenses that were unrelated to the NSF awards.

The case was referred to a U.S. Attorney's Office and accepted for civil prosecution. Without admitting liability, the company agreed to pay over \$2.5 million to resolve allegations that it had submitted misrepresentations to multiple government agencies regarding company personnel, investments, and expenditures. NSF's portion of the settlement was over \$600,000. At our recommendation, NSF permanently withheld the company's remaining award payments to protect over \$400,000 of grant funds not yet released to the company.

This case is closed with no further action taken.