



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I15060032

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We initiated an investigation to determine whether a Small Business Innovation Research (SBIR) program awardee was affiliated with a larger company that had over 500 employees, making it ineligible to participate in the SBIR program. NASA OIG and HHS OIG also participated in the investigation.

Our investigation determined that the two companies were affiliated and the SBIR awardee had omitted or misrepresented the nature of its relationship with the larger company in its SBIR award proposals, reports, and communications with the agencies. The two companies were owned and operated by the same family, shared a business location, and shared administrated functions and employees.

We referred the matter to the U.S. Attorney's Office for the District of Maryland, where it was accepted for civil prosecution. The SBIR awardee and two members of the family entered into a Settlement Agreement in which the SBIR awardee agreement to pay approximately \$2 million.

Accordingly, this case is closed.