



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-16-0093-O

Page 1 of 1

We investigated allegations involving an STTR company co-founded by a university professor and his wife. Specifically, it was alleged that the professor improperly used funds from his university “gifts account” to perform company work at the university and used university sponsored projects to pay students to do work for the company. We subpoenaed records from the company and related financial institutions and executed a search warrant of a company-related email account. Records and interviews established that the company had underspent its NSF STTR award by over \$25,000, paid its university subawardee for costs that were unallowable or unallocable to the STTR award, and conducted work on the STTR award while outside of the United States, all contrary to certifications the company submitted to NSF in its final project report.

The matter was ultimately declined by the criminal division and accepted by the civil division of the U.S. Attorney’s Office in the district where the company was located. The company agreed to pay over \$65,000 to resolve allegations that it violated the civil False Claims Act.

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