



U.S. NATIONAL SCIENCE FOUNDATION Office of Inspector General

Case Closeout Memorandum

OIG Case Number I-23-0040-O | June 27, 2025

We investigated an NSF Small Business Innovation Research (SBIR) awardee for allegations that it submitted false claims to NSF concerning its eligibility to receive its SBIR Phase II award. Our investigation confirmed that prior to receiving its Phase II award, the awardee violated the prohibition against small businesses being majority-owned by one or more venture capitalist operating companies (VCOCs). Throughout the lifecycle of the award and in its application for supplements, the awardee falsely certified to its eligibility, including affirmative certifications that the awardee was not more than 50% VCOC owned.

We referred the matter to the Department of Justice where it was accepted by the Civil Division. The SBIR awardee entered into a settlement agreement in which it agreed to pay \$1,500,000, of which \$750,000 was restitution.

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