



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* PENNSYLVANIA

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Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Monday, July 13, 2020

Nascent Devices, Inc. To Pay \$70,000 To Resolve Potential False Claims Liability

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced that Nascent Devices, Inc. (Nascent) has agreed to pay the United States \$70,000 to resolve potential liability under the False Claims Act.

According to U.S. Attorney David J. Freed, the investigation arose from Nascent's conduct with respect to a Small Business Technology Transfer (STTR) award received from the National Science Foundation. It is alleged that Nascent improperly charged unallowable and unallocable costs toward the award, applied a significantly higher overhead rate to account for underspending, and provided false certifications on its final report cover page in 2015.

"Potential false claims under grant programs such as the Small Business Technology Transfer program from the National Science Foundation, impact citizens and potential grant recipients alike," said U.S. Attorney Freed. "It is vital that we hold grantees accountable. Our ACE Unit works closely together with a variety of federal agencies to ensure compliance and responsible stewardship of federal funds."

"The National Science Foundation is a strong supporter of the Small Business Technology Transfer program," said Allison Lerner, National Science Foundation Inspector General. "However, the Foundation expects grant recipients to abide by the award terms and conditions, including the federal cost principles. Expenses charged to grants must be allowable, allocable and reasonable. Similarly, awardees cannot significantly underspend awards and keep the surplus funds without consequence. I commend the U.S. Attorney's Office for their work on upholding federal grant rules in this case."

This Settlement Agreement is neither an admission of liability by Nascent nor a concession by the United States that its claims are not well founded.

This case was investigated by the NSF Office of Inspector General. The investigation was handled by Assistant United States Attorney, Tamara J. Haken and the Affirmative Civil Enforcement (ACE) Unit within the U.S. Attorney's Office.

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Component(s):

USAO - Pennsylvania, Middle

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