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U.S. Attorney's Office

Northern District of Georgia

FOR IMMEDIATE RELEASE

Wednesday, August 21, 2019

## Georgia Tech professor pleads guilty to defrauding the National Science Foundation

ATLANTA - Maysam Ghovanloo has pleaded guilty to violating the federal wire fraud statute in furtherance of a scheme to defraud the National Science Foundation. Ghovanloo owned Bionic Sciences, Inc. (BSI), and was a professor at Georgia Tech.

"Federal grants awarded to develop new medical instruments require meticulous and truthful records be kept of how those dollars are applied," said U.S. Attorney Byung J. "BJay" Pak. "These funds are designed to help bring new innovations to fulfillment, and hopefully also into the medical arena, where they can be used for wellness."

"The Small Business Innovation Research Program is a valuable tool in advancing NSF's mission to promote the progress of science by increasing opportunities for small businesses to undertake cutting-edge scientific research, and it is essential to protect the integrity of this program. The NSF Office of Inspector General is committed to vigorously pursuing oversight of these taxpayer funds and I commend the U.S. Attorney's Office and our investigative partners for their support in this effort," said Allison C. Lerner, Inspector General of the National Science Foundation (NSF).

According to U.S. Attorney Pak, the charges and other information presented in court: Dr. Ghovanloo was a tenured full professor at Georgia Tech, and he owned and operated a Georgia corporation called Bionic Sciences, Inc. Dr. Ghovanloo and BSI received federal grants through Small Business Innovation Research (SBIR) programs sponsored by NSF. To be eligible for SBIR grant funds, Dr. Ghovanloo and BSI were required to meet program-eligibility requirements, adhere to award terms and conditions, and provide only truthful information in all documents submitted to NSF. But Dr. Ghovanloo submitted certifications that contained materially false and fraudulent statements and omissions, followed by electronic payment requests to NSF.

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As part of this guilty plea, Dr. Ghovanloo paid a lump sum of \$40,000 in restitution and was barred from doing business with the federal government for a period of three years. In addition, Dr. Ghovanloo resigned from his position at Georgia Tech, effective June 21, 2019.

Sentencing for Maysam Ghovanloo, 46, of Atlanta, Georgia, is scheduled for November 5, 2019, at 10:30 a.m., before U.S. District Judge Steve C. Jones.

This case is being investigated by Special Agents of the National Science Foundation Office of Inspector General and the Department of Health and Human Services Office of Inspector General.

Assistant U.S. Attorney Russell Phillips is prosecuting the case.

For further information please contact the U.S. Attorney's Public Affairs Office at <u>USAGAN.PressEmails@usdoj.gov</u> or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <a href="http://www.justice.gov/usao-ndga">http://www.justice.gov/usao-ndga</a>.

Topic(s):

Financial Fraud

Component(s):

USAO - Georgia, Northern

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