



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-09110065

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OIG investigated allegations that the subject,<sup>1</sup> a Principal Investigator (PI) on three NSF SBIR awards to his former company<sup>2</sup> submitted false information to NSF in interim and final project reports in order to obtain additional grant increments from NSF. After a full investigation, including OIG's review of company records, multiple interviews, and an analysis of the reports filed with NSF, the allegations were substantiated. We determined that the Subject had substantially over-reported the time spent working on the NSF project by him and two other research scientists by hundreds of hours, and had also over-reported the associated payroll costs for their effort on the project, reporting expenditures significantly higher than actuals.

In addition to recommending administrative action to protect NSF funds from additional fraud, to include the termination of the existing SBIR award and the imposition by NSF of a government-wide suspension, NSF OIG referred the case to the U.S. Attorney's Office for criminal and civil prosecution.

The Subject was criminally indicted on one count each of False Claims, 18 U.S.C. § 287; Theft, 18 U.S.C. § 641; and False Statements, 18 U.S.C. § 1001. The Subject pled guilty to one misdemeanor count of theft, 18 U.S.C. § 641, and was sentenced to three years of probation and a \$5,000 fine.

NSF OIG subsequently recommended a five-year period of debarment of the Subject and the Subject's new company, with an offset for the period of the government wide suspension. NSF concurred with our recommendation, and denied the Subject's subsequent appeal.

Accordingly, no further action is warranted and this case is closed.

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