



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I-11110043

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We initiated an investigation into an SBIR/STTR company¹ after receiving an allegation that the company had not paid its university subawardee under an STTR award.

During the investigation, we issued multiple subpoenas and document requests; reviewed bank records, NSF grant records, and employment records; interviewed multiple witnesses at different subawardee institutions²; and interviewed the company's owner/PI³. We identified evidence that the owner/PI had submitted false certifications regarding his primary employment eligibility criterion to NSF in multiple SBIR/STTR proposals and reports, he underpaid or did not pay budgeted subawardees on his NSF SBIR and STTR awards, and he submitted project reports under the awards which consisted of the work of his unpaid subawardees and text plagiarized from previously published works of his unpaid subawardees.

We referred the matter to the U.S. Attorney's Office for the relevant district, where it was declined for criminal prosecution and accepted for civil prosecution. Ultimately, the company owner/PI agreed to settle the matter for over \$250,000, with a portion of those funds going to reimburse the subawardee universities for their unpaid work.

No further action was taken.

Accordingly, this case is closed.

[REDACTED]