



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I12070044

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This case was opened under a proactive review looking at NSF contracts awarded under the Small Business Administration's (SBA) 8(a) program, to ensure the Prime Contractor was meeting the requirement to perform at least 50% of the work. We investigated a small business¹ that had received one NSF contract under the SBA 8(a) program.² We obtained and reviewed documentation and invoices associated with the contract. In addition, we subpoenaed the business' bank records. We determined that although the business appeared to be fulfilling the 50% work rule, the business was not fulfilling its financial obligations with regard to a subcontractor.³ In addition, we found that the principals⁴ of the business had made personal purchases by withdrawing significant amounts from business accounts and using business bank cards. Ultimately, the principals of the company filed for personal bankruptcy, naming the business as a co-debtor. The bankruptcy was finalized and the business appears to be defunct.

We referred the matter to the U.S. Attorney's office for the District of Maryland, which declined the case.

Accordingly, this investigation is closed.

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]