



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I01050008

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We received an allegation concerning the possible false certification about the primary employment of the Principal Investigator (PI) to a NSF-SBIR Award.¹ A former company employee notified NSF that the PI was not employed at the company.² NSF terminated the Grant. The company ceased operations and went out of business.

Investigation determined that a company officer³ signed the "Request for Initial Payment" that certified "the primary employment of the principal investigator is with this firm at the time of the award and will continue during the conduct of the research." NSF made an initial payment of \$33,000 to the company.

The company officer admitted that he signed the "Request for Initial Payment" when the PI was not primarily employed by the company. However, the officer said that he did not understand the NSF Grant requirements and other officers of the company were responsible for preparing and submitting the documents to NSF.

We briefed the US Attorney's Office in the Eastern District of Virginia, which declined to take action on this matter. The officer offered to return \$3,500 of the grant funds to NSF because there were no business records to support those expenses. This office, with the concurrence of NSF management, closed the investigation without further action upon receipt of \$3,500.

Accordingly, this case is closed.

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