



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I10070028

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A preliminary review¹ identified an individual² who held positions as president of a company³ and also as professor at a research university.⁴ The company received SBIR Phase I and II awards from NSF.⁵ The individual also served as PI (principal investigator) for an NSF award to the research university.⁶

We opened an investigation to determine whether the individual (1) misrepresented his company's research capabilities (2) was primarily employed with his company during SBIR grants on which the individual served as PI, as required by NSF award conditions, and (3) received award payments fraudulently.

We did not substantiate illegalities or violations of award conditions. With regard to the company's research capabilities, we found that the company's proposals accurately described the company's capabilities and the allocation of work between the company and its subcontractor (the research university). The proposed and actual allocation of work complied with SBIR requirements. With regard to the individual's primary employment, we found that the individual did not serve as PI for his company's NSF awards, and that consequently the primary-employment requirement was inapplicable. The individual instead worked as a university researcher under a subcontract between the research university and his company.

With regard to award payments, we did not find any fraudulent award payments. We did find, however, that the individual did not fully disclose to the research university a potential conflict of interests (COI) involving his role with the subcontract. The individual had disclosed his relationship with the company in an annual disclosure, but did not further disclose the relationship in the administrative processing of the subcontract.

The individual no longer works at the research university. The research university has taken corrective action to help prevent future potential COIs with faculty members who have outside business interests.

Accordingly, this investigation is closed.

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