



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-11040014

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We received an allegation that a company<sup>1</sup> submitted a proposal containing text plagiarized from a student's dissertation. We did not substantiate that allegation, but in the course of conducting the plagiarism investigation and reviewing other proposals submitted by the company and the individuals involved, we concluded that the company's owner<sup>2</sup> falsely certified that the original principal investigator (PI)<sup>3</sup> on a company award<sup>4</sup> was primarily employed by the company at the time of the award. The owner and the new PI (his wife) also reported some results in the company's final report on that award that the owner previously reported to NSF as the PI on an award<sup>5</sup> made to a different institution<sup>6</sup> with which the owner was affiliated. Furthermore, in response to our request for company financial information, the company owner created backdated employment agreements and timesheets to support salary paid to him and company employees.

The matter was presented to and accepted by a U.S. Attorney's Office.<sup>7</sup> The company owner agreed to a pretrial diversion suspending prosecution for a violation of 18 U.S.C. § 641. Under the terms of the pretrial diversion, the owner agreed to report monthly to the U.S. Probation and Pretrial Services Office and he agreed to not apply for NSF funding for a period of two years. The owner returned \$20,718.70 to NSF, which represented the salary payments to him and his wife under the company's award.

This case is closed with no further action taken.

