

## MEMORANDUM

DATE: 03/30/00  
TO: File  
FROM: [REDACTED]  
THROUGH: [REDACTED] Assistant Inspector General for Investigations  
RE: Closeout of Case #I 98040007

### Background:

In April 1998, we received an allegation that funds from a university award was being used to support research at a private corporation. Specifically, it was alleged that several graduate students funded under [REDACTED] project were actually working on the PI's and coPI's SBIR project.

The subjects, Drs. [REDACTED] and [REDACTED] are associate professors at [REDACTED] who also formed a corporation, [REDACTED] to develop commercial applications of their research. In 1996, [REDACTED] received a [REDACTED] award [REDACTED] for collaborative efforts with [REDACTED] on basic research to investigate and develop prototypes for [REDACTED] [REDACTED] was the PI and [REDACTED] the co-PI for this award.

In 1997, [REDACTED] received a Phase I SBIR award [REDACTED] for applied research for the development of a specific type of [REDACTED] to be tested at [REDACTED]. The background section of the proposal describes in full the supporting research conducted under the [REDACTED] award.

### Investigation:

We reviewed the proposals to better understand the research funded under each proposal, and determined that there was distinct and separable research proposed under each award.

We decided to interview the graduate students involved with the [REDACTED] award to determine whether they worked on the SBIR award, or more specifically, the development of the [REDACTED]. We tried to contact the three graduate students listed in the budget narrative for the [REDACTED] award, but were able to find only one. The student told us that he did not work on the SBIR project and noted that he had a very positive experience while working under the [REDACTED] award. The other students were longer at the university and we could not find their present addresses.

**Findings:**

Based on the comments by the former graduate student, the apparent lack of damages to the federal government, and the fact that no additional complaints have been raised about project, no further action will be taken and this case is closed.