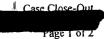
NATIONAL SCIENCE FOUNDATION

4201 WILSON BOULEVARD ARLINGTON, VIRGINIA 22230





MEMORANDUM

Date:

May 30, 2000

I98090026

To:

File #I98090026

From:

ant Inspector General for Investigations

Re:

Case Close-out:

Background

In April of 1997, NSF awarded \$1 under grant to the for polar research in the Amarcuc. The PI on this grant was Dr. This research required the purchase of an FAA certified aircraft. dvertised a GT500/912 aircraft, which Dr. directed to purchase. the Director of Marketing at On September 2, 1997, faxed a written confirmation to and requested a deposit of \$21,747.50, which was mailed On September 17, 1998, we were informed by Special Agent the president of had caused to remit NSF funds for the purchase of the GT500/912 which knew he could not produce.

Investigation

A joint FAA and NSF-OIG determined that was unable to produce the GT500/912 aircraft, and that he was aware of this when he received the payment from knew that he would not be able to produce this aircraft because he had neither a type certificate nor a production certificate from the for this aircraft. A type certificate reflects the design, engineering, and testing performed to ensure the safety of a particular model aircraft. A production certificate is required for the production facility for the particular aircraft, and indicates that the manufacturing and assembly process has appropriate quality controls. At the time paid for the GT500/912, had not attempted to complete the process required to obtain the type certificate. In addition, had been evicted from its facility in September 1997, and had

never applied for a production certificate for its new facility. Also, did not have the necessary staff for production of this aircraft.

had distributed a price list advertising that We discovered that in 1997, certified GT500/912. In August of that year could produce an indicated that he could produce this aircraft in a meeting with Dr This was confirmed in September by . In December, the that the kit for the aircraft had been told the representing that their facility sent a letter to ordered. In January 1998, had assembled all of the parts necessary to wasfully functional, and that build the airplane.

Findings

Based on evidence gathered during this investigation, we determined that had committed the following violations:

- A. Knowingly and willfully submitted a false statement of material fact that he could produce an extraction of 18 U.S.C. 1001.
- B. Caused a fax request for \$21,747.50 to be transmitted by wire in furtherance of a fraudulent scheme, in violation of 18 U.S.C. 1343.
- C. Caused the U.S. mailing of a check for \$21,747.50 in furtherance of a fraudulent scheme, in violation of 18 U.S.C. 1341.
- D. Submitted a false claim for payment by the United States of \$21,747.50 for an extraction of 31 U.S.C. 3729.

These findings were referred to the CA., on November 20, 1998. The San Diego Office coordinated with the CA., on November 20, 1998. The San Diego Office coordinated with the Cartifications. On April 20, 1999, the Cartifications. On April 20, 1999, the Cartifications. On April 20, 1999, the Cartifications on the fact that Cartification of this matter because Cartifications is no longer in the Cartification of this matter may not be cost effective.