

**MEMORANDUM**

Date: September 16, 1999  
I 99060022  
To: File # I99060022  
From: Assistant Inspector General for Investigations  
Re: Case Closeout-

**Background**

We received an allegation that [REDACTED] were using NSF funding for work on a commercial venture, [REDACTED]. It was alleged that students employed by [REDACTED] were charging their time to a NSF project while actually working full-time for the private company. [REDACTED] allegedly signed these false time cards. In exchange for their work, the employee were given stock options in [REDACTED].

**Investigation**

We referred these allegations to the [REDACTED] Internal Audit Department. The Audit Department performed an analysis of the Electrical Engineering and Computer Sciences payroll, interviewed [REDACTED] and the students involved, and review [REDACTED] stock records.

**Findings**

After review of these items, it was determined that there was no evidence to support the allegations that NSF funds were used to support [REDACTED]. There was also no evidence that [REDACTED] stock options were given to EECS employees as compensation for doing [REDACTED] work on University time. This case is closed.