

## CLOSEOUT FOR M93020016

On 19 February 1993 Dr. [REDACTED], program manager in the Small Business Innovation Research Program (SBIR) in the Division of [REDACTED] of the Directorate of [REDACTED] informed OIG that he had received allegations against [REDACTED], the subject. The subject had received [REDACTED] NSF awards, [REDACTED] and [REDACTED], which were phase I and phase II SBIR awards entitled "[REDACTED]". Several months after the close of the phase II award the anonymous complainant contacted the program officer and alleged that

1. the subject had claimed to NSF that he had a Ph.D. when he did not.
2. the subject had "willfully falsif[ied] data, reus[ed] old data" and falsely claimed to be using equipment for his research that was not in use.
3. funds from the subject's grants had benefited a company owned by a "[REDACTED] national."

OIG reviewed the two award jackets and found that the subject claimed to have only a B.S. in [REDACTED]. OIG contacted the degree-granting institution and confirmed that the subject had indeed received the degree he claimed. OIG determined that there was no substance to the first allegation.

OIG's review of the awards and the Final Project Report submitted for each did not provide support for either the second or third allegation. The volume of detailed material submitted by the subject and the number of independent consultants and collaborators who assisted in the research and provided written reports on these projects suggest that considerable collaborative effort went into the successful conduct of this project. In a situation involving a number of independent collaborators and consultants it would be difficult to coordinate the fabrication of data or the falsification of collected data.

While the initial testing of the control system occurred in the pilot-scale equipment alleged to be unused, the final testing did not occur in that equipment, which was probably unused at the time of the complainant's allegation. It is likely that the pilot-scale equipment remained idle in the later part of the subject's research project. It is even more likely that this equipment lay unused after the project was completed. In the complainant's sole conversation with the program officer, he did not provide a reason for his concerns about the allegedly idle equipment, identify who received the allegedly false claim about the equipment, or provide a

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way for OIG to contact him for further information. OIG was unable to independently uncover any support for the second allegation. Without additional information from the complainant OIG determined that there was no substance to the second allegation.

The phase II Final Project Report includes a signed joint venture agreement between the subject and an individual with the same last name as the one identified by the anonymous complainant as a "[REDACTED] national." The individual signing the joint venture was the president of the company identified by the complainant. OIG learned that this company was incorporated in the same state in which the subject's research was conducted. It is likely that any expenditure of grant funds occurred in that state, and therefore complied with the SBIR program requirement that all research under the NSF award must be performed in the United States or its territories. There is no program stipulation about the nationality of the participants. It was apparent from the joint venture agreement and the company's involvement in the subject's research that the company's business will directly benefit from the control system that was developed under the subject's SBIR awards. The president agreed to commit [REDACTED] over a period of [REDACTED] years as follow-on funding for instrument development. In return the subject, as president of his own company, agreed to assign all licensing for the control system to the United States-based corporation for that [REDACTED] year period. OIG determined there was no support for the third allegation.

OIG concluded that the anonymous complainant has made several allegations that did not have substance.

OIG closed this case without further action.

cc: Staff Scientist, Deputy AIG-Oversight, AIG-Oversight, IG