



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I03020006

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NSF-OIG received an anonymous letter claiming that a company<sup>1</sup> falsely charged expenses to SBIR contracts and grants and submitted duplicate proposals for the same research. The anonymous complaint alleged that company management told employees to use old research to maximize profits on current contracts. This anonymous letter was also sent to four other agencies. A joint investigation was organized and records of research awards were retrieved from 7 agencies. Initial review found that the some identical research results had been submitted to different agencies, in violation of the SBIR program conditions.

Ultimately, we found that the most serious duplication involved an NSF Phase I SBIR award. Out of 15 tables and figures submitted in the final report, 12 were submitted 20 times in other agencies reports. We also found that the company submitted a Phase I SBIR proposal to DoD that did not disclose that a substantial similar proposal had been previously submitted to another agency.

We referred our findings to the Civil Division of the U.S. Attorney's Office. The company signed a Release and Settlement Agreement with the U.S. Attorney's Office, agreeing to pay the total of \$155,500 to resolve this matter. As part of the agreement, the company also implemented written procedures to avoid duplicative research in the future.

Accordingly, this case is closed.

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<sup>1</sup> Microcoating Technology, Inc., now known as nGimat Co.