



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I03120079

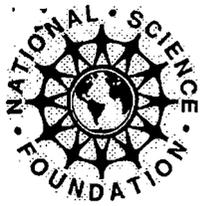
Page 1 of 2

In December 2003, a preliminary investigation into possible research misconduct concerning the Principal Investigator¹ of an SBIR Awardee² was referred to the Civil/Criminal Section for investigation. The issues identified during the preliminary investigation involved the company's SBIR II proposal³ and included numerous letters of support that appeared to be altered and submitted numerous times with multiple, unrelated proposals. There were also questions raised regarding the proposals' references to several patents that were reported to be the results of the company's previous SBIR I Award⁴ when the patents were actually issued prior to the SBIR I award.

In May 2004, we conducted a site interview to determine if the company had the resources to conduct the research and to interview the subject concerning the statements and letters contained in the proposal. The subject had retained counsel and he was present during the interview. Prior to ending our interview, we issued a subpoena⁵ to the subject for all financial documents and research records related to the award. The company responded to the subpoena by submitting several binders that included financial documents relating to the award and copies of research logs and other research-related documents. An individual⁶ who has since returned to his native country⁷ and could not be located for an interview had prepared most of the research logs.

Our investigation determined the subject knowingly submitted proposals to NSF that contained falsified information that subsequently led to the company receiving awards including the SBIR II award referenced above. Agency staff determined these misrepresentations were not material to the success of the proposals. Based on this information we concluded that there was insufficient evidence to prove criminal action on the part of the subject.





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Page 2 of 2

However, we did conclude that the subject's actions were inconsistent with generally accepted practices among the research community and appeared to meet the definition of Research Misconduct.⁸

In December 2005, we reported our findings to NSF with a recommendation that it find the subject's actions constituted research misconduct,⁹ and take appropriate action. We received the agency's response¹⁰ in May 2006, indicating that while it did not conclude that the subject's actions were research misconduct, it advised the subject that it did not approve of this conduct in connection with the preparation of the Final Report and subsequent proposal and warned that future filings should be more clearly written. The agency also advised the subject that prior to changing any letters of support in the future written permission should be obtained from the author of the letter to do so.

In addition to the recommendation to the agency, we also reviewed prior investigations conducted by this office that involved letters of support.¹¹ This review determined that NSF-OIG has received similar allegations in the past, some of which were substantiated. This review also determined that there is minimal direction from the agency concerning the submission of letters of support. We forwarded our findings to the agency along with several recommendations to minimize these types of issues in the future. The agency indicated it intends to implement some of our recommendations when updating agency policies in the future. We will continue to work with the agency to finalize these changes.

Accordingly, this case is closed.

