

Redacted



NATIONAL SCIENCE FOUNDATION
OFFICE OF INSPECTOR GENERAL
OFFICE OF INVESTIGATIONS

CLOSEOUT MEMORANDUM

Case Number: I05100062

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On 26 October 2005, OIG was forwarded a news article concerning a federal indictment of the President¹ and Vice President² of a Pennsylvania company³ for bank and wire fraud. The accompanying email stated that this company had NSF SBIR Phase I awards in the past. An investigation was initiated to determine if any of the monies awarded from the NSF grants⁴ were affected by the fraudulent activities of the company's top officials.

OIG learned that the company officials filed false tax returns and loan applications to make the business appear to more successful than it actually was at the time. The company has filed bankruptcy and dissolved all of its assets.

After several months of negotiations, the President and VP for the company pled guilty to one count each of fraudulent representation in connection with a loan application, in violation of 18 U.S.C § 1014. According to the plea agreement, the defendants could receive a term not more than 30 years, a fine of \$1 million, a term of supervised released of (5) years and mandatory restitution.

Because there is no evidence that the President and VP misappropriated NSF funds, no further action is required. Accordingly, this case is closed.

1 [Redacted]
 2 [Redacted]
 3 [Redacted]
 4 [Redacted]