



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

Thursday, May 14, 2015

Microprocessor Company that Received National Science Foundation Grants Settles False Claims Act Allegations

ALEXANDRIA, VA – Sand 9, Inc., of Cambridge, Massachusetts, has agreed to pay \$625,000 to resolve allegations under the False Claims Act that it misrepresented its accounting and timekeeping systems to the National Science Foundation (NSF), based in Arlington, Virginia, in the award and performance of two Small Business Innovation Research (SBIR) grants.

Sand 9 obtained from the NSF the SBIR Phase II grants in February 2009 and March 2011 to support research into micro-electromechanical system timing products for use in wireless and wired communications systems.

The United States alleged that Sand 9 misrepresented its accounting and timekeeping systems to obtain the grants, and failed to maintain complete timekeeping records for its employees while receiving grant funding for labor.

The United States further contended that Sand 9's progress reports certified compliance with the grant terms, and that certain reports also certified that all of the funds committed to the grant had been expended as designated in the grant budget, even though Sand 9 failed to maintain its accounting system in a manner that tracked expenditures separately by grant or according to categories of the approved grant budget. These progress reports caused the NSF to release incremental payments to Sand 9.

The civil claims settled by Sand 9 and the United States are allegations only; there has been no determination of civil liability.

The case was investigated by Assistant U.S. Attorney Gerard Mene and Special Assistant U.S. Attorney Josh Cavinato of the U.S. Attorney's Office for the Eastern District of Virginia, along with Investigative Attorney Ginna Ingram and Special Agent Michael Pritchard of the NSF's Office of Inspector General. Assistant U.S. Attorney Monika Moore and Forensic Auditor Ron Fiorillo of the U.S. Attorney's Office for the Eastern District of Virginia assisted in the investigation.

A copy of this press release may be found on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia.

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