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U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Monday, September 21, 2015

Biotech Company and CEO Agree to Resolve Allegations of Grant Fraud

BOSTON – Sterling Biomedical LCC (Sterling), a biotechnology company in Lynnfield, and its president and CEO, Dr. Michael Szycher, have agreed to pay \$200,000 to resolve allegations that they violated the False Claims Act by submitting false claims for National Science Foundation (NSF) grants. In addition, Sterling and Szycher have agreed not to apply for National Science Foundation funding for five years.

“There are many deserving researchers who apply for government grants in order to perform novel and groundbreaking research,” said United States Attorney Carmen M. Ortiz. “It is both unacceptable and unethical for scientists to submit falsified information in order to gain a competitive edge among applicants for government grants.”

Allison Lerner, Inspector General at the National Science Foundation, said, “This fraudulent scheme illegally diverted valuable and scarce federal research dollars from advancing new technologies. I commend the U.S. Attorney’s Office for its strong support in this case.”

Between 2009 and 2011, Sterling received \$539,000 in grant funding from the National Science Foundation. This settlement resolves allegations that in proposals submitted to the National Science Foundation, Szycher misrepresented the size and assets of Sterling and its ability to perform the proposed research. The government further alleges that Szycher failed to perform the funded research as described for one of the grants received, and then fraudulently represented to NSF that he had completed the research.

U.S. Attorney Ortiz and NSF IG Lerner, made the announcement today. The matter was handled by Assistant U.S. Attorney Giselle J. Joffre and former Assistant U.S. Attorney Veronica Lei of Ortiz’s Civil Division.



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