



# Department of Justice

**United States Attorney Carmen M. Ortiz  
District of Massachusetts**

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twitter.com/dmanews1

CONTACT: CHRISTINA DI IORIO-STERLING

Phone (617)748 - 3356

[usama.media@usdoj.gov](mailto:usama.media@usdoj.gov)

## **TOKUTEK RESOLVES ALLEGATIONS INVOLVING NATIONAL SCIENCE FOUNDATION AWARD MONEY**

BOSTON – Tokutek, Inc., a Lexington-based software development company, has agreed to pay \$120,000 to resolve allegations that it failed to create and maintain accurate time records reflecting work allegedly performed by its employees related to a National Science Foundation (NSF) award.

In January 2011, NSF awarded Tokutek a Small Business Innovation Research grant to support the development and commercialization of Tokutek’s software technology for use with large databases. The United States alleged that Tokutek provided NSF with interim and final progress reports to document work pursuant to the award, and these reports caused NSF to release incremental award payments to Tokutek. According to the government’s allegations, the progress reports claimed certain labor costs expended in performance of the award that Tokutek could not have substantiated at the time the claims were made, because it failed during that time to maintain complete timekeeping records for its employees.

“It is critical that government grant funds are being used in accordance with the purposes for which they were intended,” said Carmen M. Ortiz, United States Attorney for the District of Massachusetts. “In this instance, we credit Tokutek for promptly stepping forward to resolve this matter after the government brought its concerns to the company’s attention.”

NSF Inspector General Allison Lerner said, “Every year, billions of dollars in Federal funds are used to cover salary costs of individuals who work on Federal grants. This settlement agreement reflects my office’s robust oversight to ensure that such funds are not misused. I commend the U.S. Attorneys’ Office for its strong support in this case.”

This matter was investigated by the National Science Foundation, Office of the Inspector General, and was handled by District of Massachusetts Assistant United States Attorney Gregg Shapiro.

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