



NATIONAL SCIENCE FOUNDATION  
OFFICE OF INSPECTOR GENERAL  
OFFICE OF INVESTIGATIONS

## CLOSEOUT MEMORANDUM

Case Number: I-13100055

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We received an allegation that the former CEO of a company that had received NSF SBIR funds had taken company funds for his personal use, potentially including some portion of NSF's award funds. We conducted multiple interviews, subpoenaed the financial records of the company and the former CEO, and interviewed the former CEO, who had various accounting explanations for his actions and acknowledged receiving \$15,000 - \$20,000 in excess payments from the company. We ultimately concluded that he had taken over \$25,000 more from the company's account than the legitimate payments to which he was entitled. We also learned that a company insurer reimbursed the company for the losses caused by the former CEO, and that there was no impact on the performance of the NSF SBIR award. We referred the matter to a U.S. Attorney's Office, which declined to pursue it due to the loss amount. Ultimately, the former CEO entered into a settlement agreement with the company insurer to repay \$30,000 to the insurer.

This case is closed with no further action taken.